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ANNUAL REPORT

OF THE

133673

Indian Merchants' Chamber and Bureau

FOR THE YEAR

1914-15.

(Presented to the Annual General Meeting held on the 25th September 1915.)

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LIST OF MEMBERS OF THE INDIAN MERCHANTS' CHAMBER AND BUREAU.

Members.		Representati
1	Messrs.	Morarji Goculdas and Company (Mr. D. E. Waccha).
2	,,	Chhagandas and Company (Mr. Jeevandas Pitamber).
3	,,	Pragjee Surjee and Company (Mr. Pragji Surjee)
4	,,	Muljee Haridas (Self).
5	,,	Dinshaw D. Karani and Company (Mr. Dinshaw Dosabhai Karani).
6	,,	M. M. Batlivala and Company (Mr. M. M. Batlivala).
7	The Hon'ble Mr. Manmohandas Ramji.	
8	Messrs.	Pragji Vundrawan (Mr. Laxmidas Purshotam Vundrawan)
9	,,	Morarji Velji (Mr. Morarji Velji).
10	,,	Chaturbhuj Shivji (Mr. Chaturbhuj Shivji).
11	,,	Jethabhai Walji (Mr. Jethabhai Walji).
12	,,	Walji Shamji (Mr. Dharamsey Hemraj.
13	,,	Chunilal Sakelchand (Mr. Javerchand Kallianji).
14	,,	Mulji Kersondas (Mr. Mulji Kersondas).
15	,,	Walji Sunderji (Mr. Walji Sunderji).
16	,,	Bhucandas Govindji (Mr. Lalji Govindji).
17	,,	Damoder Haridas (Mr. Runchhoddas Harjivan).
18	,,	Rawjibhai Naranji (Mr. Rawji Naranji).
19	,,	Matubhai Vussonji (Mr. Vassanji Naranji).
20	,,	Madhavji Thakersev (Mr. Devidas Madhawji Thakersey).
21	,,	Ramdas Madhavji (Mr. Madhavji Jesang).
22	,,	Bhimji Kara (Mr. Bhimji Kara).
23	,,	Damoder Govindji (Mr. Vithaldas Damoder Govindji).

24	MESSRS.	TALAKCHAND JETHA (MR. HEMCHAND AMERCHAND).
25	,,	HEMRAJ KANJI (MR. MORARJI HEMRAJ).
26	,,	TRICUMDAS PURSHOTUM (MR. VITHALDAS TRICUMDAS).
27	,,	KERSONDAS PURSHOTAM (MR. KERSONDAS PREMJI).
28	,,	CHATURBHUJ JIVANDAS (MR. CHATURBHUJ JIVANDAS).
29	,,	MORARJI KALLIANJI AND COY. (MR. VALJEE GOVANJI).
30	,,	HIRALAL AMRATLAL (MR. MANILAL LALOOBHAI).
31	,,	BHALCHANDRA BALVANT (MR. BALVANTRAO RAMCHANDRA).
32	,,	VALABHDAS JAMNADAS (MR. VALABHDAS JAMNADAS).
33	,,	JAGJIVAN HEMRAJ (MR. GOCULDAS JADAWJI).
34	,,	LALJI NARANJI (MR. DAWARKADAS NARANJI).
35	,,	GHELLA DAYAL (MR. GOCULDAS JIVRAJ).
36	,,	VALABHDAS KANJI (MR. VALABHDAS KANJI).
37	,,	BHIMJI DAWARKADAS (MR. DHUNJI BHIMJI).
38	,,	MULJI DAMODER (MR. VASSANJI MOOLJI DAMODER).
39	,,	KANJI KURSON (MR. HURJIVAN WALJI).
40	,,	HORMUSJI BEJONJI (MR. GORDHANDAS PURSHOTUM).
41	,,	RAMJI THACKERSEY (MR. TALAKCHAND GOBAR).
42	,,	MADANJI MOHANJI (MR. HARJIVANDAS MOHANJI).
43	,,	RAGHAWJI ANANDJI (MR. KURSONDAS MULJI).
44	,,	KURSONDAS KALLIANJI (MR. CHATURBHUJ KERSONDAS SHROFF).
45	,,	SOONDERDAS PADAMSEY (MR. SOONDERDAS PADAMSEY).
46	,,	NAGARDAS PURSHOTUM AND COMPANY (MR. BHAGVANDAS KESHAVJI).
47	,,	RUNCHHODDAS THAKERSEY (MR. RUNCHHODDAS THAKERSEY).
48	,,	CHHOTALAL MOOLCHAND (MR. KALLIANJI MAWJI).
49	,,	MANJI WALJI (MR. MATHURADAS MANJI).
50	,,	EDULJI KHARSETJI (MR. JAMSETJI EDULJI).
51	,,	DEVKARAN NARANDAS (MR. DEVKARAN MOOLJI).
52	,,	PURSHOTUM GOVINDJI (MR. HARIDAS PURSHOTUM).
53	,,	CHHOTALAL MANGALDAS (MR. MANGALDAS GOPALJI)
54	,,	LALJI TRICUMJI (MR. GIRDHARDAS KHIMJI).

55 MESSRS. PURSHOTUM LAXMIDAS (MR. DWARKADAS VASSANJI).
56 ,, HEMRAJ JESANG (MR. NARAYANDAS HARIBHAI).
57 ,, HARGOVIND CHATU (MR. KARSONDAS HARGOVIND).
58 ,, DAMODAR WALJI (MR. HIRAJI RUSTAMJI).
59 ,, AMRITLAL JAGJIVAN (MR. JAGJIVAN SHESKARAN).
60 ,, BHAGVANDAS BHAVANBHAI (MR. VRUJLAL BHAGVANDAS).
61 ,, BHIMJI RAVJI & SONS (MR. CHHABILDAS LAXMIDAS BHIMJI).
62 ,, GORDHANDAS NARANJI (MR. NARANJI NARSEY).
63 ,, JAIRAM HARI (MR. DEVIDAS DAMODER).
64 ,, MOTILAL KESHAWJI (MS. MOTILAL VALABHJI).
65 ,, JAITHABHAI GOVINDJI (MR. JAITHABHAI GOVINDJI).
66 ,, KURJI DHARAMSEY (MR. MATHURADAS KURJI DHARAMSEY).
67 ,, GOPALJI WALJI SOONDERJI (MR. GOPALJI WALJI SOONDERJI).
68 ,, HORMUSJI KHARSETJI (MR. DHANJIBHAI ARDESHIR).
69 ,, KAWASJI TEMOOLJI (MR. TEMOOLJI BURJORJI).
70 ,, MATHURADAS GOKULDAS (MR. MATHURADAS NFNSEY CHATURBHUJ).
71 ,, VISHRAM DHANJI (MR. VANDRAVANDAS VALJI).
72 ,, PADAMSEY MANJI (MR. VALABHDAS MEGHJI).
73 ,, KALIDAS DHARAMSEY (MR. MOTILAL KANJI).
74 ,, GOPALJI KALLIANJI (MR. PARMANAND DAMODER).
75 ,, PURSHOTTAM DWARKADAS (MR. DAMODER BHAGVANDAS).
76 ,, WALJI KHIMJI (MR. VALABHDAS WALJI).
77 ,, SHAMJI VANDRAVAN (MR. HIRJI MULJI).
78 ,, HEMRAJ WALJI (MR. JIVANDAS HEMRAJ WALJI).
79 ,, BAMANJI SAPOORJI (MR. PIROJSHAW DINSHAWJI).
80 ,, RUNCHHODDAS VALABHAI (MR. RUNCHHODDAS VALABHAI).
,, VALABHDAS LAXMIDAS (MR. RATANSEY DOONGERSEY).
RAGHAWJI EBJI (MR. WALJI EBJI).

83	MESSRS.	KAPURCHAND RAMCHAND (MR. KAPURCHAND RAMCHAND).
84	,,	HIRJI DAYAL (MR. LALJI DAYAL).
85	,,	THAKERSEY MOOLJI & Co. (SIR VITHALDAS DAMODAR THAKERSEY).
86	,,	ANANDJI VALJI (MR. PREMDAS KHIMJI).
87	,,	DAMODER NUSSARVANJI (MR. DORABJI NUSSARVANJI PAVRI).
88	,,	VERSEY CURAMSEY (MR. VALJI SOONDERJI).
89	,,	JUTHA KANJI (MR. MULJI DHARAMSEY).
90	,,	RUTTANSEY KANJI (MR. PADAMSEY RUTTANSEY).
91	,,	MOOLJI JETHA & Co. (MR. CHATTURBHUJ GORDHANDAS).
92	,,	RAMJI LAXMIDAS (MR. KESHAVJI RAMJI LAXMIDAS).
93	,,	VAMAN SHRIDHER (MR. VAMAN SHRIDHER APTE).
94	,,	CHATTURBHUJ HARIDAS (MR. HARIDAS PURSHOTUM).
95	,,	MOOLJI PADAMSEY (MR. HIRJI TOPAN).
96	,,	LILADHER DWARKADAS (MR. SOONDERJI WALJI).
97	,,	GOCULDAL SHIVJI (MR. SOONDERJI DAMODER).
98	,,	JAMSETJI FRAMJI KHARAS (MR. ARDESHIR JAMSETJI KHARAS).
99	,,	KESHAWJI HARIDAS (MR. HARIDAS MAWJI).
100	,,	PURSHOTTAM KALIDAS (MR. PURSHOTTAM KALIDAS).
101	,,	HARIRAM VELJI (MR. NEMCHAND JOOTHABHAI).
102	,,	MANJI KESHAWJI (MR. HARIDAS MATHURADAS THAKKAR).
103	,,	GIRDHERDAS JEITHABHAI (MR. HARIDAS GORDHANDAS).
104	,,	JIVRAM VASSANJI (MR. JEISTARAM JIVRAM).
105	,,	GOPALJI WALJI (MR. NARANDAS MITHARAM).
106	,,	HARJIVAN WALJI (MR. HARJIVAN WALJI).
107	,,	PRANJIVAN NARANJI (MR. BHAGVANDAS WALJI).
108	,,	REWASHANKAR JAGJIWAN (SELF).
109	,,	MOTILAL DAYABHAI & Co. (MR. MOTILAL DAYABHAI).
110	,,	DEWJI KANJI AND COMPANY (MR. SHARIFF DEVJI KANJI).

111 Mr. Jainarayan Dani (Mr. Vallabhnarayan Dani).
112 Sir Shapurji B. Bharucha (Self).
113 Messrs. Narandas Rajaram and Company (Mr. Purshotamdas Thakoredas).
114 „ Hajee Mohomed Hajee Ismail and Company (Mr. Umar Haji Usaf Sobhani).
115 Mr. Ruttonsey Mulji (Self).
116 Messrs. Bhaidas Narotumdas and Sons (Mr. Manekkal Bhaidas).
117 „ Ramdas Khimji & Co. (Mr. Goculdas Jamnadas).
118 „ Phirozshah B. Petit & Co. (Mr. Phirozshah B. Petit).
119 „ Dhanjibhai B. Petit & Co. (Mr. Dhanjibhai Petit)
120 Mr. S. R. Bamanji (Self).
121 Raja Bahadur Shivlal Motilal (Mr. Govindlal).
122 Messrs. Khimji Vishram and Company (Mr. Khimji Davalji)
123 Hon'ble Sir Ibrahim Rahimtulla (Self).
124 Mr. Thakar Vullabhdas Kalianjiwala (Mr. Narsi Vallabhdas).
125 Mr. Kaikhusru Manekji (Self).
126 Messrs. Drewet Chawna and Company (Mr. Palanji Dadabhai Chawna).
127 „ O. H. Nazar and Company (Mr. O. H. Nazar).
128 Mr. Gordhandas Khatau (Self).
129 „ N. D. Dadyseth (Self).
130 Messrs. Kavasji Dinshah Brothers (Self).
131 Rao Bahadur Amulakchand Govindram (Self).
132 Messrs. Shaikh Ahmed Shaikh Dawood and Company (Mr. Manilal Hiralal).
133 Rao Bahadur Vassonji Khimji (Mr. Mathuradas Vussanji).
134 Mr. Tarachand Ghunshyamdas (Mr. Govindram Harsomal).
135 Messrs. A. C. Rice and Company (Mr. Ardesher Edulji Cama).
136 „ Javeri and Company (Mr. B. N. Javeri).

137 Mr. Kursondas Mulji Jetha (Self).
138 Messrs. The Grain Merchants' Association (Mr. Naranji Haribhai).
139 „ K. P. Kothare and Company (Mr. Krishnarao Purshotum Kothare).
140 „ The Indian Mercantile Insurance Company Ltd. (Mr. Pestanji Edulji Dhalla).
141 Hon'ble Mr. Lallubhai Samaldas (Self).
142 Messrs. Jivanchand Lallubhai and Company (Mr. Gulabchand Dharamchand).
143 „ Hajibhai Laljf and Company (Mr. Mahomed Hajibhai).
144 „ Kothari Sutaria and Company (Mr. R.L. Sutaria).
145 Hon'ble Sir Fazalbhai Currimbhai Ibrahim (Self).
146 Dr. H. L. Batliwala (Self).
147 Messrs. Morarjee Girdhar and Company (Mr. Surjibhai Morarji).
148 „ The Bombay Merchants' Bank, Ltd. (Mr Jainarayan Hindumal Dani).
149 „ Gordhandas Khetsey (Mr. Dwarkadas Ravji).
150 Mr. Narotum Morarji Goculdas (Self).
151 Messrs. S. B. Billimoria and Company (Mr. S. B. Billimoria)
152 „ Tata Sons & Co. (Mr. Phiroz J. Billimoria).
153 Mr. Manekji Jethabhai Vardhman (Self).
154 Messrs. Hormasji E. Davar & Sons (Mr. Phirozshah H. Davar).
155 Messrs. The Berar Manufacturing Company (Mr. Kisongopal Bejnath).
156 „ R. H. Pattuck and Company (Mr. Hirjibhai Shapurji Pattuck).
157 „ Warden and Company Ltd. (Mr. Sorabji E. Warden.)
158 „ Premchand Roychand & Sons (Mr. Kikabhai Premchand.)
159 Mr. Purshotam Vishram Mowjee (Self).

160 MESSRS. SHRERAM SHAMAN (Self).
161 ,, THE HINDUSTANI NATIVE MERCHANTS' ASSOCIATION (SETH JUGANNATH MUNIM OF SETH TARACHAND JUHARIMAL).
162 MR. LALLUBHAI ZAVERDAS MUNI (Self).
163 MESSRS. MANEKCHAND PANACHAND AND COMPANY (MR. TARACHAND NAVALCHAND JAVERI).
164 MR. ARJUN KHIMJI (Self).
165 MESSRS. N. POWELL AND COMPANY (MR. M. VENKATRAV).
166 HON'BLE MR. ABDUL HUSSEIN ADAMJI PEERBHOY (Self).
167 MR. MARKUNDRAI GIRJAPRASAD DESAI (Self).
168 MESSRS. HARKISONLAL AND COMPANY.
169 MR. CHARANDAS CHATURBHUJ MORARJI (Self).
170 MESSRS. KEDARMAL BHURAMAL (MR. KEDARMAL BHURAMAL.)
171 MR. NAVALCHAND LALLUCHAND (Self).
172 ,, GULABCHAND DEVCHAND ZAVERI (Self).
173 ,, RAMPRASAD HARIPRASAD DESAI (Self).
174 ,, GORDHANDAS RUNCHHORDAS (Self).
175 ,, BHOGILAL VIRCHAND DIPCHAND (Self).
176 ,, DUNICHAND DURGADAS (Self).
177 ,, RUTTONCHAND TOLLAKCHAND MASTER (Self).
178 ,, VULLABHDAS DAYAL (Self).
179 MESSRS. K. S. AIYAR AND COMPANY (MR. K. S. AIYAR).
180 ,, H. PESTONJI AND COMPANY (MR. DOSABHAI PESTONJI BHAKKA).
181 MR. MATHURADAS GOCULDAS THACKER (Self).
182 ,, HIRACHAND VANECHAND DESAI (Self).
183 MESSRS. SHIV HEM AMER AND COMPANY (MR. KESHAVJI MAKANJI DOSI).
184 ,, THE DAVAR'S COLLEGE OF COMMERCE (PROFESSOR S.R. DAVAR).
185 ,, N. L. THAKAR AND COMPANY (MR. N. L. THAKAR).
186 MR. NASSARWANJI K. A. CHINOY (Self).
187 MESSRS. VASANJI VELJI AND COMPANY (MR. SHIVJI CHAMPSI).
188 ,, P. N. MEHTA AND COMPANY (MR. P. N. MEHTA).
189 ,, KILACHAND DEVCHAND AND COMPANY (MR. CHHOTALAL KILACHAND).

190 MESSRS. THE NATIONAL FINANCING & COMMISSION CORPORATION LTD. (MR. C. I. PAREKH).

191 ,, THE CENTRAL BANK OF INDIA LTD. (MR. SORABJI N. POCHKHANAWALA).

192 ,, ABDULLA ALLARAKHIA AND COMPANY (MR. KARMALI ABDULLA ALLARAKHIA).

193 MR. BALUBHAI MOOLCHAND JAVERI (Self).

194 MESSRS. MAMRAJ RAMBHAGAT (MR. PRAHLADRAI RAMJIDAS).

195 MR. HARIDAS NAGJEE VORA (Self).

196 ,, THAKKAR AMARSEY KANJI (Self).

197 ,, GOCULDAS DAMODAR (Self).

198 ,, MANILAL GOCULBHAI MULCHAND (Self).

199 ,, THE BOMBAY SHROFF ASSOCIATION (MR. LAKHMICHAND MANEKCHAND KHOKHANI).

200 MR. HANSRAJ PRAGJI THAKERSEY (Self).

201 ,, GOCULBHAI DOLATRAM (MR. JAMNADAS MULCHAND PAREKH).

202 RAO BAHADUR CURAMSEY DAMJI (Self).

203 MR. PESTONJI N. MASANI (Self).

204 MESSRS. ABDULLABHOY JOOMABHOY LALJI & CO. (MR. FAZALBHAI JOOMABHOY LALJI).

205 ,, MULCHAND VASONJI AND COMPANY (MR. LUKHMIDAS NEMIDAS).

206 MESSRS. TRIBHOVANDAS JADAVJI & SONS (MR. DWARKADAS TRIBHOVANDAS).

207 MR. DWARKADAS GORDHANDAS (Self).

208 ,, PESTONJI D. PATEL (Self).

209 MESSRS. SHIVJEE COOVERJEE AND COMPANY (MR. PRAGJI MOHANJEE KOTHARI).

210 ,, THE BOMBAY COUNTRY TOBACCO TRADE ASSOCIATION (MR. M. S. MODY).

211 ,, CHANDABHOY & JASOOBHOY (MR. KAIKHUSRU N. CHANDABHOY).

212 MR. CHUNILAL V. MEHTA (Self).

213 ,, RATONSEY DHARAMSEY MORARJI (Self).

214 MESSRS. HIRJEE KHETSEY AND COMPANY (MR. HIRJEE KHETSEY).

215 Messrs. C. L. Sajan and Company (Mr. Currimbhai Lalji Sajan).

216 „ Ghelabhai Gangsey and Company (Mr. Hirji Ghelabhai).

217 „ The Bombay Commission Agents' Association (Mr. Shantaram Mangesh Kulkerni).

218 „ The India Agency Co., Ltd., Messrs. Narandas Purshottamdas & Sons—Agents : (Mr. Devidas Narandas).

219 „ Ramji Purshottam & Co. (Mr. Naranji Haribhai).

220 Mr. Abdulla Fazulbhai.

221 Messrs. Khimji Hirji Kayani & Co. (Mr. Khimji Hirji Kayani).

222 Mr. Jehangir Bomanji Petit.

223 „ Cassumali Jerajbhai Peerbhai.

224 Messrs. The Bombay Printing Works Ltd. (Mr. M. P. Madan).

225 „ Assar Virjee & Sons (Mr. Laxmidas Haridas).

MEMBERS OF THE COMMITTEE OF THE INDIAN MERCHANTS' CHAMBER AND BUREAU FOR THE YEAR 1915-16.

1 Mr. Dinsha Edulji Waccha (Chairman).
2 Hon'ble Mr. Lallubhai Samaldas (Vice-Chairman).
3 „ „ Manmohandas Ramji.
4 Mr. Purshottamdas Thakoredas.
5 Hon'ble Sir Fazulbhoy Currimbhoy Ibrahim.
6 „ „ Ibrahim Rahimtula.
7 Sir Shapurji B. Broacha.
8 Mr. Devidas Madhowji Thakersey.
9 Sir Vithaldas Damoder Thakersey.
10 Mr. Chaturbhuj Shivji.
11 „ Jethabhai Walji.
12 Mr. Naranji Haribhai.
13 „ Revashanker Jagjiwan.
14 „ Ruttonsey Mulji.
15 „ Gopalji Walji Sunderji.
16 „ Motilal Kanji.
17 „ Motilal Vallabhji.
18 „ Phiroz J. Billimoria.
19 „ Mathuradas Vasanji Khimji.
20 „ Sorabji Edulji Warden.
21 „ Morarji Velji.
22 „ Currimbhai Lalji Sajan.
23 „ Mulji Haridas.
24 „ Narottam Morarji Goculdas.
25 „ M. P. Madan.

CHAIRMEN OF THE INDIAN MERCHANTS' CHAMBER AND BUREAU.

Hon'ble Mr. Manmohandas Ramji, 1907—1913.
Mr. Purushottumdas Thakoredas, 1913—14.
Hon'ble Sir Fazulbhoy Currimbhoy, 1914—15.

Secretary :—Mr. J. K. Mehta, M.A.
Asst. Secretary :—Mr. M. M. Munshi, B.A.
Hon. Auditor :—Mr. Ardesher Edulji Cama of Messrs. A. C. Rice & Co., Chartered Accountant.
Chamber's Solicitors:—Messrs. Edgelow Gulabchand Wadia & Co., Solicitors.

THE INDIAN MERCHANTS' CHAMBER AND BUREAU.

ANNUAL GENERAL MEETING.

The Eighth Annual General Meeting of the members of the Indian Merchants' Chamber and Bureau was held at the Office of the Chamber, on Saturday the 25th September 1915, at 2-30 P.M. (B. T.) to transact the following business :—

(1) To receive the report of the Managing Committee for the year 1914-15.

(2) To declare the election of the Members of the New Committee made in accordance with Rule No. 26.

(3) To appoint an Auditor to the Chamber for the ensuing year.

The Hon. Sir Fazulbhai Currimbhai, Chairman of the Chamber, presided.

The following Members were present :—

Mr. Dinshaw Edalji Wacha, The Hon'ble Mr. Manmohandas Ramji, The Hon'ble Mr. Lallubhai Samaldas, C.I.E., Mr. Purshottandas Thakurdas, Mr. Ratansi Mulji, Mr. Chatturbhuj Shivji, Mr. Ratansi Dharamsi Morarji, Mr. Jivandas Pitambar, Mr. Laxmidas Purushottam Vandravan, Mr. Morarji Veljee, Mr. Chunilal Sakalchand, Mr. Morarji Hemraj, Mr. Karsandas Premji, Mr. Valjee Govanji, Mr. Lalji Govindji, Mr. Vithaldas Damodar Govindji, Mr. Vallabhdas Jamnadas, Mr. Goculdas Jivraj, Mr. Vasanji Mulji Damodar, Mr. Gordhandas Purshottam, Mr. Chaturbhuj Karsondas Shroff, Mr. Jagjiwan Sheshkaran, Mr. Naranji Narsee, Mr. Motilal Vallabhji, Mr. Karsandas Kurji Dharamsey, Mr. Dhanjiboy Ardeshir, Mr. Vandrawandas Valji, Mr. Motilal Kanji, Mr. Gopalji Kalyanji, Mr. Hirji Mulji, Mr. Jivandas Hemraj Waljì, Mr. Premdas Khimji, Mr. Dorabji Nasarvanji Pavri, Mr. Haridas Mavji, Mr. Haridas Mathuradas Thakkar, Mr. Haridas Gordhandas, Mr. Vallabhnarayan Dani, Mr. Maneklal Bhaidas, Mr. R. L. Sutaria, Mr. Kedarmal Bhuramal, Mr. Keshavji Makanji Doshi, Mr. Pragji

Mohanji Kothari, Mr. M. S. Mody, Mr. Shantaram Mangesh Kulkerni, Mr. Kasamali Jerajbhai Peerbhai, Mr. M. P. Madan.

The Hon. Sir Fazulbhoy moving the adoption of the report, said :—

When we met last time to consider the seventh Annnal Report of this Chamber, my predecessor observed that the clash of arms in Europe obsessed every other subject. War had but just begun and we were then face to face with conditions which were almost unprecedented in the history of the world. Even then, however, the British Government had adopted a series of measures to safeguard commerce and industry which always command their watchful care. Fourteen months have passed since then, and we are still in the midst of one of the greatest wars of history, which will not be over, of course, till the cause for which Great Britain and her Allies unsheathed their swords is won. Great Britain has accomplished much and fully shown the strength of her navy and her inexhaustible financial resources.

WORK OF BRITISH NAVY.

The British Navy has cleared the seas of the world of hostile craft and assured to India and the Allied countries regular trade and commerce. Britain's strong financial resources have gone a long way in financing the Allies and thus supplying the main sinews of war. How great this financial capacity is will be seen from the fact that British people have funded the whole of the £1,214,300,000 needed by British Government since November 1914. To us in India the war has not been brought home, in all its horrors and realities mainly through the stupendous achievement of the British Navy which has allowed commerce to go on undisturbed except only at one period when the Emden made its comet-like appearance. No extra burden in the way of taxation has been placed on Indian people and all our conditions are almost the inevitable decreases in our imports and exports and the consequent depression in different trade markets. The effect of the war on trade during the last eight months of the official year 1914-15 can be gauged by the fact that

there was a fall of Rs. 44 crores 6 lakhs in imports for the eight months of war as compared with the same period in 1913-14, and of Rs. 70 crores 67 lakhs in exports as compared again with the same period in 1913-14. These represent decreases in imports and exports of the whole of India to the extent of 35 to 43 per cent. respectively. With regard to the Bombay Presidency the aggregate value of the total trade, excluding Sind, was Rs. 156 crores, showing a fall of Rs. 60 crores as compared with the total trade of the previous year, *i. e.*, a fall of 38 per cent. All these decreases were due to the direct effects of war like the stopping of our trade with enemy countries and to indirect effects like increase in freight, prohibition of the export of several articles declared contraband of war and to the dislocation in credit which was affected from the time of the banking crisis and the trade depression of 1913. The chief articles to suffer in the matter of exports were cotton and seeds, while in the matter of imports the fall has been distributed over several articles like yarn and textile fabrics, iron and steel, cutlery and hardware, dyes and colours and machinery.

WHEAT AND COTTON.

The main articles which drew the attention of Government were wheat and cotton. There was an agitation in some quarters for a special treatment of the cotton question. Happily the Government, which was appealed to, refused on principle to protect any special interest and wisely confined itself to helping trade in general by very generously placing, at the disposal of Presidency banks, 4 millions of the Paper Currency reserve. Cotton conditions, however, have naturally improved in the meanwhile and the agitation has subsided. The European markets have been entirely closed since some time past to cotton, and Japan has come in to relieve the situation by taking about a hundred thousand bales more than she used to do in normal times. There has also been the welcome tendency to use cotton for purposes of investment, as it is felt that the prices are bound to go up with the restoration of normal conditions after peace. It is also estimated that the American crop will be less by more than 20 per cent., and the Indian crop by about 20 per cent.

Cotton is declared contraband and the American cotton will be prevented from going to several European countries. Against such a bearish element of the market there is, however, the fact that England and her Allies will consume a great deal of cotton and even the United States, it is said, will have to increase its consumption because of its rumoured preparation for war.

While the Government refrained from adopting special measures for cotton, they went out of their way to provide a special machinery for wheat. It must be said that conditions were abnormal. Prices had been faked up by dealers and wholesale merchants while the whole of the Punjab was clamouring for cheaper wheat. The American and Argentine wheat was also going up as the result of the manœuvring of parties interested in cornering. The Government of India prohibited the export of wheat and allowed it to be exported only under the supervision of the Government. There was an immediate relief to the masses of the population, though, it must be said, that the scheme did not turn out a commercial success, as British prices for wheat began to fall soon after the Government scheme was announced and Government have not apparently made the profit which they expected. The total of wheat sent out during the four months of the official year commencing from April 1914 is 2,009,150 cwts. as compared with 7,441,629 cwts. exported in the same period last year and 15,449,745 cwts. exported in 1913. The exports on Government account in these four months have been 9,892,080 cwts. The financing of wheat by Government themselves, in consultation with members of the Conference specially held for the purpose, out of the Indian treasury balances, leaving out the Exchange Banks altogether, has given rise to much discussion. It is a fact that the absence of wheat Bills in India, the want of employment for money provided by the Exchange Banks to finance the current season's wheat trade and the depressing effects on the public mind of the absence of the usual demands for Council Drafts had till late combined to force Sterling exchange down to reverse Council point. This drop in exchange is not due solely to the procedure adopted with regard to wheat but also to the general conditions of our foreign

trade which show the balance of trade veneering round to the other side consequent on restricted exports. Not only this, but as the Hon. Sir W. H. Clark pointed out the other day, the loss in exchange would not fall as a general rule on the importing houses but on the Indian dealer and through him on the consumer. All this greatly whittles down the final loss, while the financing by the Government has got to them *i.e.*, to the tax-payers something like 5 to 6 p.c. in the form of saving in commissions to Banks etc. The economic consequences which have been witnessed in reference to some of our staple commodities will no doubt have their due consideration by Government, after peace is concluded. They afford an object lesson which could not be forgotten. In this connection, I have to point out the regrettable omission, from the Wheat Conference held at Delhi, of representation of Indian Commercial opinion. Your Committee pointed out this grievous omission, with a view that the Government may not pass over such an important body like yourselves in future in matters of trade and industry.

OTHER FINANCIAL PROBLEMS.

The financial problems in this country were of course of not so important a nature as those of Great Britain. Still they were of extreme significance to this country and the Hon. the Finance Minister must be congratulated on his masterly handling of them. He had long and important interviews with representatives of commercial bodies before he floated his recent loan of 4½ crores. Your Committee had also an interview with him and it is satisfactory to note that several of their suggestions have been incorporated in the able and far seeing scheme he announced for the loan. Especially the utilisation of the Post Offices as a medium for subscribing to the war loan and the efforts thereby to bring to the notice of even the middle and poor classes of his Majesty's subjects deserve all possible praise and commendation. It is thus now indirectly declared that such loans are not loans for merely bankers but for the population at large which was hitherto kept practically away from participating in them. The Amendment of the Savings

Bank Act in 1913 with this recent procedure regarding Government loans is a forward step in the financial policy of the Government of India in the direction of securing public co-operation in financial matters, which leads us to hope that we are not far distant from the time when efforts will be systematically made to get all the available Indian capital for sound and substantial enterprises like railway and irrigation projects.

DEVELOPMENT OF INDIAN INDUSTRIES.

Your Committee have, from the very beginning of this war, pressed on the attention of the Government the necessity and advisability of utilising the present times for laying down broad and sympathetic lines for the development of Indian industries. The whole Indian atmosphere is impregnated by this demand, as has been evidenced from the fact that in almost all the Councils, Imperial and Provincial, non-official representatives have demanded Government co-operation and Government interference for furthering the progress of trade and industry. It must be frankly admitted that hitherto neither the Imperial nor the Provincial Governments have been indifferent in the matter. Several Provincial Governments have appointed a Director of Industries in their Provinces and some have asked for experts on special subjects. The Bombay Government had also an informal meeting with prominent industrialists of the Presidency, the report of which is awaited with interest. Unfortunately the Government of India finds itself placed between two sets of opinions, neither of which it is in a position to support fully. On one side there is the persistent Indian opinion asking the Government to leave off their *laissez faire* policy and sometimes even launch into schemes, chimerical and fantastic. On the other side there are traditions and conventions of the Government in power binding them down to a pure free trade policy. A compromise has to be found between these extreme sets of views. We must realise this position of Government and we shall be helping them in arriving at this compromise and evolving an intelligible scheme of development, if instead of crying for the moon, we point out practical ways in

which Government help should be forthcoming. Before, however, any such scheme takes practical shape, it is essential that Government should explain their position and attitude regarding industries which may be started at present and which may have to face the competition of Germany and Austria after the war and that of Japan even at present. So long ago as October 1914, your Committee had an interview with Mr. Ley, Director-General of Commercial Intelligence, when we pointed out to him that unless some tangible proposal of help or guarantee against loss was forthcoming, people would shrink from investing capital in new industries—an opinion which I am glad to see has been recently supported by Sir Roper Lethbridge. We, of course, recognise the present conditions and the necessary inability of the Government to give a foretaste of their economic policy after the war, as that will be mainly dictated by the Imprial Government.

JAPAN DUMPING WARES ON THE COUNTRY.

And yet unless something is done, the whole of the trade which was hitherto German and Austrian, will, instead of being taken up by children of the soil, be captured by countries like Japan which are damping their wares to an enormous extent since the last twelve months, on the country. What this extent is, can be seen from the fact that while the imports of matches were 39 lakhs of rupees in 1912-13 as well as in 1913-14 they came up to 69 lakhs of rupees for the official year 1914-15 and have shown a still more tremendous rate of progress for the first four months of the current year. They were 14 lakhs 36 thousand for the same period of 1913-14 and have jumped up to 41 lakhs 74 thousand this year. Similarly a tremendous increase is to be found in the imports of glass and grey piece-goods from Japan. The imports of glass for the first four months of 1912-13 were 5,23,488, while for the same period 1913-14 they were 4.86,051 and have risen to 15,12,572 during this year. The figures for grey piece-goods were 2,76,338, 6,58,289 and 12,68,763 respectively. The attention of all concerned should be drawn to this, as otherwise we should be left where we were before the war, while Japan will steal a march upon us. It is because of the neces-

sity of finding new markets for our exports and new markets from which to buy our import requirements in place of the markets which are closed to us as the result of the war, that your Committee have often and often insisted on Indian Sections being opened at principal British Consulates and responsible Indians being placed in charge of them.

PROTECTION OF TRADE INTERESTS.

Coming to the subjects matter of the Report laid before you, I have nothing further to add to what is already contained therein. I referred in the beginning to the ever vigilant care with which Government is looking to the protection of our trade interests. As an instance I will draw your attention to the paragraph in our Report on war notes and notifications, in which it is mentioned how we have throughout this year been receiving all the notifications issued by Government in connection with the war. It is this sympathetic watchfulness which forms the key-note of the administration of His Excellency Lord Hardinge whose term of office has been fortunately extended by six months. I hope it will not be considered out of place, if I say that the response of the Indian commercial community in the city to all that Government has asked of them is equally spontaneous and sincere. The magnificent contributions to the war fund have come from our leading Indian merchants, through whose efforts it is that the contribution of Bombay has been so unprecedentedly large.

THE COMING COMMERCIAL CONGRESS.

You all know, gentlemen, how the idea of holding the Commercial Congress last December had been postponed on account of the war. On further thought, however, better and wiser counsels prevailed and we have resolved to hold the first session of the Congress during the next Christmas Holidays. There is some misunderstanding about a proper scope of the objects of this Congress. It will be mainly a Congress of Chambers of Commerceand the idea at present is to establish at this session an Associated Chamber of

Commerce for all the Indian Chambers of Commerce. We have decided to hold the Congress in spite of the war, as we think that such an Associated Chamber for the whole of India will be a great asset in the matter of co-operation with the Government in the discussion of the great problems affecting trade and industry that will arise after the war. We shall not be hampering but shall be on the contrary helping Government by such a consideration of some of the broad commercial problems. From the list of members constituting the Reception Committee it is apparent how all the Commercial Associations have joined with us in the undertaking, which, I hope, will be a success worthy of this city in which it will be held and of the Chamber under whose auspices it will be held.

With these words I propose the adoption of the Report of the Committee.

SOME AFTER-WAR PROBLEMS.

Mr. Wacha, in supporting the Chairman, said that the President had drawn their attention to the increasing trade of Japan, but after the war they would have to deal not only with the competition of Japan, but also that of the Colonies. War had brought before their attention many important questions such as exchange, finance and currency. As the war continues many more questions will have to be considered seriously and the Committee for the next year will have to work hard.

The Hon. Mr. Manmohandas Ramji, in further supporting the Chairman, said:—

To me the most interesting item of the work during the year of the Report was the persistent demand of the Committee, in their interviews with members of the Government, for a systematic policy on the part of the latter for development of indigenous industries. War opened the eyes not only of Great Britain, but also of this country, to the inroads Germany and Austria had made on their trade and commerce, and it will be one of the worst neglects of duty if we fail to utilise the opportunity thus offered to us by the war and prefer to remain in the same state of industrial dependence in which we

were before the war. The Chairman has pointed out to us the instance of Japan, which has characteristically set itself to capture the markets in which Germany and Austria were hitherto supreme.

INDIAN RAILWAYS.

Indian Railways were built out of British capital, to attract which a guarantee of interest of 5 per cent. per annum had to be given as well as free land. In this connection I should like to quote a few lines from a recent work on Railways by Mr. Ghosh, referring to this very question:—"It is certain that the country benefited greatly by the construction of Railways, but for some time the burden of guarantee was felt by the Government of India. It was because of this burden that the Government first decided to make Railways in metre gauge in 1867 out of State funds, but as the Government would not find adequate funds, applications were again made to companies in England to build Railways under a guarantee. In 1893, in order to attract capital for Railways in India on easier terms for Government, 'rebate' terms instead of the guarantee were introduced. This condition did not prove attractive and again guarantee terms were introduced, but the guaranteed interest was reduced from 5 per cent. to 3 per cent." This shows how it was this guarantee of interest which attracted British capital to India at a time when she was considered but a barbaric land, when her credit did not stand very high in the British financial market. If this could be accomplished in case of foreign capital, much more can be achieved in the case of indigenous capital. Here there are no prejudices to be overcome, no danger of sending capital thousands of miles away to unknown lands. The land is ours, our people have spare capital and have learnt the benefits of careful investment. The only thing required is for the Government to step in and to assure shareholders about their dividend. Government can very well safeguard their interest by claiming a first charge on the capital of concerns they have thus helped, by the appointment of a Government auditor to give them a true statement about the affairs of these, and if necessary, having a representative on the Board of Directors.

FINANCING OF WHEAT BY GOVERNMENT.

I referred in the beginning to heavy decreases in imports and exports averaging something like forty (40) p.c. of our total trade. Naturally our agriculturists, traders and merchants have all their share in the losses this has occasioned. I do not point this out to make of it a grievance but to show how out-of-place is the complaint in some quarters that the financing of wheat by Government themselves has inflicted a loss upon exchange banks, exchange brokers, import merchants, shipping agents and freight brokers. Whatever loss these may have suffered is nothing as compared with that patiently and calmly borne by our trading and producing classes. To those that belittle the services of this country during the war I should like to mention this contribution also along with the other contributions.

The gap caused by failures of more than fifty Swadeshi banks has naturally not been filled up. Their want has been vividly felt in these times when indigenous banks could have greatly helped in the work of development of industries. Unfortunately, want of expert knowledge and a moral backbone worked the destruction of all the institutions. What we want is industrial banks in the real sense of the term started for the express purpose of helping industries, and not merely so-called Swadeshi banks draining away capital from the mofussil and employing it for the personal aggrandisement of the agents or Directors or in speculation. For a successful management of banking concerns, sound experience is the first essential, and this will not be forthcoming as long as higher appointments in Presidency Banks are closed to Indians.

Impost of import duties requires a revolutionary change in the economic policy of the British Empire, but we can achieve that very object by our voluntary curtailment of the use of foreign articles and patronage of Swadeshi ones. The Government also can be the greatest patron of Swadeshi articles if it rigidly enforces its circulars regarding the purchase of stores from this country. It is not enough that catalogues of manufacturers in this country are published by the Commercial Intelligence Department. All the Government Depart-

ments should be asked to get their stores from this country and must get permission of the local Government if they want to indent any things from foreign countries. This will afford an opportunity to local Governments to inquire about the manufacture of such articles locally and to try their best to encourage the starting of such a manufacture if it is not there already.

After Messrs. Motilal Vallabhji, S. E. Warden, Lalji Govindji, Jagjivan Seshkaran, Jivandas Hemraj Waljee, R. L. Sutaria and Vallabnarayan Dani, had spoken on several commercial questions, the proposal for the adoption of the Report was put to the vote and unanimously carried.

The result of the ballot for the Chairman, Vice-Chairman and Members of the Committee for the ensuing year was then announced and the following gentlemen were declared duly elected as Chairman, Vice-Chairman and Members of the Committee.

Mr. Dinshah Edulji Wacha (Chairman).
Hon. Mr. Lallubhai Samaldas (Vice-Chairman).
Hon. Mr. Manmohandas Ramji.
Mr. Purshottamdas Thakoredas.
Hon. Sir Fazulbhoy Currimbhoy Ibrahim.
Hon. Sir Ibrahim Rahimtula.
Sir Shapurji B. Broacha.
Mr. Devidas Madhowji Thackersey.
Sir Vithaldas Damodar Thakersey.
Mr. Chaturbhuj Shivji.
„ Jethabhai Walji.
„ Naranji Haribhai.
„ Revashanker Jagjiwan.
„ Ruttonsey Mulji.
„ Gopalji Walji Sunderji.
„ Motilal Kanji.
„ Motilal Vallabhji.
„ Phiroz J. Billimoria.
Mathuradas Vasanji Khimji.

Mr. Sorabji Edulji Warden.
,, Morarji Velji.
,, Currimbhai Lalji Sajan.
,, Mulji Haridas.
,, Narottam Morarji Goculdas.
,, M. P. Madan.

Mr. Lalji Govindji proposed and Mr. Morarji Hemraj seconded that Mr. Ardeshir Edulji Cama of Messrs. Rice & Co., Chartered Accountants, be appointed as Hon. Auditor to the Chamber for the ensuing year. This proposition was carried.

Mr. Vallabh Narayan Dani then proposed and Mr. Keshavji Makanji Doshi seconded a vote of thanks to the retiring Chairman, the retiring Committee. Auditor and the Scrutineers for the work they had done. This proposition was also accepted.

A vote of thanks to the Chair proposed by Mr. Jethabhai Walji snd seconded by Mr. Motilal Wallabhji terminated the proceedings.

REPORT OF THE COMMITTEE OF THE INDIAN MERCHANTS' CHAMBER AND BUREAU FOR THE YEAR 1914-1915 PRESENTED TO THE GENERAL MEETING HELD ON THE 25TH SEPTEMBER, 1915.

Your Committee have great pleasure in presenting the Eighth Annual Report to your Chamber. They held during the course of the year 24 meetings and the work done was, as will be seen from the Report, of a varied and important nature.

The following were some of the Principal subjects discussed :—

1. The Provincial Insolvency Act.

The first matter which engaged the attention of your Committee was the proposed amendment of the Provincial Insolvency Act III of 1907, on which their opinion was asked by Government. This act followed closely the corresponding English Act and that it was not put forward as a complete or perfect law of insolvency for the mofussil, was admitted by the Hon'ble Sir Erle Richards when presenting the select committee's Report on the Bill which afterwards became law. This fact combined with the criticisms of those who thought that a change in consonance with times was needed, obliged Government to admit that a case for inquiring into section XV had been made out, and they wisely embraced the opportunity to cause investigation with the view of ascertaining whether an amendment of the whole act was expedient or desirable. Your committee agreed with the Government that petitions for insolvency were growing in number since the date of the introduction of the present Insolvency Act. It was accordingly suggested that section 15 (1), which only dealt with cases of dismissal of petitions by creditors under certain conditions, should also similarly provide for dismissal of petitions by

debtors under certain specified circumstances as those given in Section 351 of the Old Civil Procedure Code of 1882. Several other changes were also suggested regarding many other sections of the Act.

2. Cutting Currency Notes

The Finance Department of the Government of India drew the attention of your Committee to the practice of cutting currency notes, the primary object of which was to facilitate the use of the notes for remittance purposes. It was observed that such a practice lent itself to the committal of fraud, entailed expenditure of much care and time in the offices of the Currency Department and consequent delay in encashment and inconvenience to the public. Government suggested that some scale of penalties might well be fixed to prevent such a practice, the scale to be low in the beginning. The opinion of your Committee was invited specially on the following points.

(1) Whether it was not desirable that the practice of cutting currency notes should be discouraged.

(2) Whether the methods above proposed for effecting this purpose were suitable, or if not, what alternative methods were recommended.

(3) Whether the penalties suggested were suitable.

Your Committee appreciated the efforts made by Government with a view to popularise the currency notes and diminish the possibilities of fraud. They however, feared that the suggestion of Government, though well-intentioned, would rather arrest than stimulate the large circulation of currency on which Government were so keen. As to the proposed suggestion of fixing a scale for penalties, it was

thought that it would come greatly in the way of the popularity of the notes and also inflict needless inconvenience.

3. Banking Conference. Mr. Purshottamdas Thakoredas was appointed as the representative of this Chamber to attend the Conference held on Monday the 30th November, 1914, by the Bombay Government to discuss the various aspects of the proposed legislation for the control of Banks in India.

4. Usurious demands of money-lenders. Your Committee were consulted by Government regarding the feasibility of prevention of use of Civil Courts as an agency for the realisation of the usurious demands of money-lenders. The main remedies suggested were the following :—

(*a*) The fixing of a legal maximum rate of interest recoverable.

(*b*) The determination of a legal maximum amount of interest recoverable (commonly known in India as the rule of Damdupat.)

(*c*) The bestowal of authority on the courts to go behind a contract, reopen a transaction, and reduce the rate of interest, if thought equitable.

Your Committee welcomed the suggestions of Government as to the removal of the evils prevalent. These evils are due to there being no settled legislation regarding the usurious demands of money lenders. The committee felt sure that the suggestion for enforcing the well known and recognised rule of Damdupat would be greatly appreciated by debtors.

5. Register of Auditors. With reference to a letter of this Chamber dated 24th April, 1914, on the question of auditors of Joint Stock Companies, the Government of Bombay were pleased to inform us that they did not intend to prepare a register of persons who were members

of exempted societies practising in the Presidency, as in the event of any members of exempted society being guilty of misconduct in the practice of his profession, steps would be taken to report his case to the council of the institution to which he belonged.

As that provision was thought insufficient your committee addressed the Legislative Department of the Government of India, praying that it should be provided in the statute that the Register of auditors should include members of exempted societies also, making them liable to paying some penalties in case of misconduct in the practice of their profession. As to this representation, your Committee received a reply that this suggestion could not be accepted as long as cases had not happened of such exempted societies acting in any unsatisfactory way.

6. Constitution of the Committee.

In order to provide for representation on your Committee of different commercial interests and specially of commercial associations which were members of the Chamber, a resolution was passed by your General body empowering the Committee to nominate 5 members to the Committee in addition to the elected number of 25 under the rule.

7. Decrees in Native States.

Following upon the correspondence ending with the letter of the Government of India, Foreign and Public Department dated 13th February, 1914, your Committee addressed the Government of Bombay, Political Department, supporting the representation of the Bombay Native Piece-Goods Merchants' Association on the question of the hardships and inconveniences experienced by plaintiff merchants in obtaining execution in native states

of decrees passed by British Courts in Civil suits. To this a reply was received from Government that none of the native states mentioned in the letter of the Committee had entered into an agreement for reciprocity between their Civil Courts and the Civil Courts of British India in the execution of decrees, and that native states although encouraged by Government to enter into such agreements were frequently unwilling to do so. Government therefore regretted that it was not possible to take any immediate steps in the matter in the Presidency but they observed that the inconvenience experienced by the members of the Association would be borne in mind when occasion arose and that it had been brought to the notice of the Hon'ble the Agent to the Governor-General in Rajputana and Central India.

8. Amendment of the Presidency Banks Act.

In reply to reference from Government as to whether the Presidency Banks Act should be amended so as to enable the Presidency Banks to deal in certain securities to be issued by the Government of His Highness the Nizam of Hyderabad, your Committee saw no objection to the proposal, provided it was made clear that the hypothecation of the unencumbered portion of the annual rental payable by the Government of India to His Highness the Nizam's Government on account of Berar to the payment of interest due on the money borrowed by that Government, would continue until the capital so raised was paid off.

9. Commercial Codes for Oversea telegrams.

9. With reference to a Press communique from the Department of Commerce and Industry regarding the use of certain commercial codes for overseas telegrams between India and the United Kingdom, your Committee informed the Government

that the recently introduced system of transmitting commercial messages should continue as it would give certain facilities not to be found in the new system. It was also pointed out that the system of counting 10 letters as one word which was discontinued from 31st October, 1914, be revived as it gave many facilities to the commercial public. The hope was also expressed that in view of the new crops being brought on the market, the Government would be pleased to allow as soon as possible the use of authorized commercial codes for inland messages also.

10. Register of forward Contracts for Shipment.

With reference to a letter from the Collector of Customs, Bombay, regarding the advisability of opening a Register at each Custom House of forward contracts for shipment to neutral countries, your Committee submitted that they were not in favour of the principle of restrictions of exports for the two following reasons:—

(1) That the suggested annual average export test was not a reliable one; and

(2) That in the case of certain important raw materials, notably cotton, importation into enemy countries from producing areas outside the British Empire was allowed. If, however, Government were of opinion that under the present circumstances restriction to some extent was desirable the register of forward contracts for shipment, was in the opinion of the Committee, the best possible recourse to be taken.

11. Hall-marking of Gold and Silver.

The Bombay Presidency Trades Association suggested to Government the advisability of introducing into India a system of Hall-marking of Gold and Silver plate. Replying to a reference

from the Collector of Customs regarding the suggestion, your Committee approved of the proposal that a small Department should be attached to each of the mints, where persons, who so desired, could have articles marked with the Government stamp certifying that the metal was of the correct composition. They however expressed their opinion that the system of Hall-marking should not be made compulsory in this country even in future, as the mints being situtated only in Calcutta and Bombay, it would be extremely dificult for the public at other places to have Hall-marking for their articles. This was likely to cause a great deal of loss even to traders and artisans who were honestly pursuing their trade and would entail needless inconvenience and expense on the mass of the population who were in the habit of investing in silver and gold.

12. Customs Duty on Suva and other oil seeds.

The attention of the Committee being drawn by the Grain Merchants' Association to the levy of customs dues on Suva and other oil seeds exported to Bombay from Katthiawar States by land route at Viramgaum, which were exempt from such dues if imported by sea from the same places, they represented to the Collector of Customs that whatever reason there might be on the part of the Government levying customs dues on goods which were not duty free even when imported by sea route into British India, surely there could not be any reason for such dues being levied on articles which were duty free when imported by sea route. They observed that the seeds trade of Bombay was of very large proportions and that a great deal of these were obtained from Katthiawar. The total of oil seeds imported into Bombay from Gujarat and Katthiawar during 1913-14 amounted to 2,904,331

maunds. Figures for Kathiawar were not unfortunately given separately but they could not but be obviously large. It was further represented that the land route was costlier than the sea route and this levy made it the more costly. The Committee hoped that the Collector would be pleased to move the Government to declare oil seeds from native states by land route duty free as they were already by sea route.

13. Wages of Lascars. The Government of Bombay asked the opinion of the Committee with regard to the flat rise over the union rates of £1/- per mensem in the wages of officers and men of all vessels requisitioned by the Admiralty during the present emergency and also regarding the rates of extra remuneration which would be suitable in the case of lascars. The Committee approved of the former proposal and with regard to the latter suggested that the rate of extra remuneration should be fixed between Rs. 5 and 6 per month.

14. Port Trust Election. This Chamber was declared by the Government of Bombay to be one of the two bodies entitled to send this time for a period of 2 years a representative on the Bombay Port Trust Board. The Hon'ble Mr. Manmohandas Ramji was elected as the representative.

15. Amendment of the Poisons Act 1904 (1 of 1904). In reply to a letter from the Government asking the Committee their opinion about a proposed amendment of the Poisons Act of 1904, they observed as follows:—

2. The Committee feel that owing to the laxity of rules prevailing at present it is not found possible to check exactly the sale of Poison, as the large

class of dispensing Chemists and Druggists is exempted from the operation of the provisions of the Poisons Act, 1904.

3. A stricter regulation of sales will arouse some opposition, specially from people who are not following the practice of English chemists of registering all their prescriptions.

4. In order however to secure greater efficiency in the administration of the law, changes in the present law are necessary even though they might affect some vested interests.

5. My Committee are thus of opinion that there is a necessity for the proposed changes and beg to approve of and suggest the following as the most suitable:

(*a*) That dispensing chemists and druggists should not be regarded as the exempted class for the purposes of Section 10 Sub-Section 1 of the Poisons Act 1904, but that the registration of sales of Poisons by them must be made compulsory.

(*b*) That the present distinction between the wholesale and retail vend of poisons should be abandoned.

(*c*) That every authorised vendor of Poisons should be required to maintain the following registers:—

(1) Register of sales, giving all the particulars required by the English Pharmacy Act.

(2) Stock register of Poisons; and

(3) a prescription book (to be maintained only by dispensing chemists and druggists) into which should be copied all prescriptions containing scheduled poisons.

16. The Commercial College Advisory Board.

Mr. D. E. Wacha was appointed as the Chamber's representative on the Advisory Board of the Commercial College, Bombay.

17. Punjaub Cement Monopoly.

The Committee were informed by Department of Commerce and Industry, Government of India, regarding the concession granted by the Punjaub Government to the Kashmir Iron Mines and Powers Syndicate for the manufacture of Cement that certain difficulties had been found in the scheme proposed for the transfer of the concession which had prevented sanction being awarded to the transfer.

18. Wheat Conference.

Your Committee respecfully drew the attention of Government to the fact that at the Conferences regarding Wheat and Cotton no representative of the Indian Trading community from any part of the country was invited to be present. This, the Committee pointed out, was a matter of great regret as the interests of the Indian Commercial community were of as much importance as those of the other communities. They prayed that, in future whenever a Conference of this character was to be held, a representative of the Indian Commercial community should also be invited so that there might be an interchange of views from all points of interest. By such an arrangement Government themselves, who where anxious to elicit the opinion of all classes of the community, would be in a better position to judge and institute proper measures which might be satisfactory.

19. Draft Rules under the sanitary clauses of the Indian Ports Act, 1908.

The Committee were asked by Government their opinion regarding draft rules under the sanitary clauses of the Indian Ports Act 1908, for prevention of the spread of infectious or contagious diseases by means of ships arriving at and departing from Ports in the Presidency (including Sindh) and Aden.

They suggested in reply that the latter part of section 39 begnning from "and shall be liable to pay" etc. and ending with "be made against them" should be eliminated.

Sec. 39 reads thus:—

"All persons removed to hospital or kept under observation at any place shall obey and conform to the rules, regulations and orders for the time being in force at such hospital or place and shall be liable to pay all such charges as for the time being may under the sanction of Government be made against them."

The Committee did not think it reasonable or just to charge people with costs arising from their removal to hospital, as this was for the purposes of public sanitation and the public should bear any expenditure on that score. It was also pointed out that a large number of passengers by coasting steamers was poor and not in a position to pay for their hospital charges.

To this representation the Committee have recently received a reply that the charges to the recovered under Rule 39 for removal to hospital, and retention under observation, would generally fall on the persons going to or coming from ports out of India; and that in the circumstances the Governor-in-Council saw no reason to modify Rule No. 39.

20. Enemy Banks.

The Committee were asked by Government their opinion on the question of extending the effect of the Royal Proclamation dated 7th January, 1915, to British India. The effect would be to prevent persons in British India doing banking business with enemy banks in (*e.g.*) British India, France, Java, or the United States of America, if

such firms or banks had headquarters in hostile territory. The Committee expressed their approval of this extension.

21. The £25 limit in connection with certificate of origin.

It was intimated to the Committee by Government that his Majesty's Government had abolished the £25 limit in connection with certificates of origin which would now be required for all consignments despatched from the country of origin after 7th March irrespective of their value.

The Committee wrote to Government regretting that such an important order should have been communicated nine days after the date on which it took effect, and observed that it would be better if in matters of this nature Government's orders were communicated to all mercantile bodies immediately by Telegram on their promulgation. They drew the attention of Government to the inconveniences that were likely to be entailed on importers through the absence of any previous intimation. It was therefore suggested that for the consignments which left the countries of origin before the announcement of the Government resolution doing away with the £25 limit for certificates of origin, some concession should be allowed in this wise that on the production of reasonable proofs about their respective countries of origin, importers should be enabled to get delivery of them without the necessity for a certificate of origin.

Government replied that the orders in question were communicated to Consuls on March 5th in ample time for importers to become acquainted with them before March 9 and that it seemed therefore improbable that inconveniences would be caused. Should it appear that any real hardship

had been caused by the fact that the change in the orders was not notified in time, any representation would receive due consideration.

22. Industrial Alcohol. The Committee addressed the following communication to the Department of Commerce and Industry, Government of India:—

Following upon the interview the Committee of this Chamber had with the Hon'ble Mr. W. H. Clark, C.S.I., Member of Commerce and Industry, on the 6th January, 1915, I am directed by them to address you as foltows :

In consequence of the cessation of the trade of this country with enemy countries the import of several important chemicals is stopped. Industrial Alcohol plays a leading part in the manufacture of many of these chemicals and is extensively used in some industries which may well receive the attention of industrialists at present, when the question of the development of existing industries and starting of new ones is so much in the air. My Committee beg to give below a list of principal chemicals and industries in which Alcohol is largely used. It is largely used by perfumers and makers of essences, by varnish makers, by photographers in the making of photographic plates and papers, by pharmaceutists, by the chemists in the preparation of tinctures and other valuable medicaments, by preparation of various organic and inorganic products, and in analytical operations, by anatomists and naturalists, in the manufacture of vinegar, and in a multitude of industries which it is not possible to enumerate here.

In view of this importance of alcohol for industrial purposes my Committee beg to approach the

Government with a request that it may be declared duty free in instances where it is to be used *bona fide* for industrial purposes. That this is not altogether a new suggestion will be seen from a copy of the letter addressed to Mr. C. T. Needham M. P., Hon. Secretary of the Association of Chambers of the United Kingdom by the Commissioners of Customs and Excise of Great Britain which is appended herewith. This letter shows that in the United Kingdom alcohol, whether manufactured there or imported from abroad, is in some cases declared duty free if used for industrial purposes. My Committee also beg to draw your attention to a resolution on this subject moved at the recent annual meeting of the Association of Chambers of the United Kingdom, and to the Free Alcohol Act of 1906 of the United States of America by which alcohol was made tax free for industrial purposes.

Under these circumstances my Committee earnestly hope that the Government will be pleased to declare alcohol, whether manufactured locally or imported from abroad, duty free, provided it is to be used for industrial purposes.

23. British Chamber in Paris.

A letter was received from the Under-Secretary to the Government of Bombay, Revenue Department, inviting the opinion of the Chamber regarding certain proposals made by the Australian Section of the British Chamber in Paris for the promotion of Indian commercial interests in France through the agency of that Chamber. These views were specially invited on (1) whether any and if so what benefits can be anticipated from the scheme under war conditions and (2) what advantages Indian Trade may be expected to get from it under normal conditions.

The suggestion referred to was that the British Chamber in Paris should be appointed Official Commercial representative of British India (the post they were already holding under the Commonwealth of Australia), the expenses of such a representation depending upon the scope of the services required by the India Office and the premises considered necessary.

The Committee of this Chamber have no objection to the suggestion above referred to being accepted by Government but they suggested that it would be advisable to get one, conversant with the commercial conditions of this country, preferably a qualified Indian, appointed in charge of the proposed Indian Section of that Chamber.

24. Accountancy and Diploma Board. Examination.

The Secretary of the Accountancy Diploma Board invited the opinion of the Chamber on the draft regulations for the award of the Diploma in Accountancy as approved by the Accountancy Diploma Board and the Auditors' Council.

Your Committee suggested several changes and modifications the chief of which were :—

(*a*) That the Examination fees should be fixed at Rs. 25 instead of Rs. 50 which, they thought, was too high for the class of examination that was to be instituted.

(*b*) That a certain percentage of marks should be laid down as a standard test for the examination and not that "a candidate must satisfy the Board that he possesses an adequate knowledge" etc., which standard would be too vague and indefinite.

(*c*) That the period of service required under a practical Accountant should be only 2 years in

the case of Batchelors of Arts, Law and Science just as in the case of Batchelors of Commerce.

(*d*) That those who duly passed the examination and showed a practical experience as laid down in rule No. 12 should be considered eligible for getting a restricted certificate automatically.

(*e*) That another higher examination with a higher syllabus should be instituted, success at which should be considered sufficient for giving an unrestricted certificate.

(*f*) That practising accountants holding permanent Auditors' certificates under the Indian Companies' Act 1913. and Chartered and Incorporated Accountants should not be, for the purpose of this examination, allowed to have more than four apprentices at a time, as otherwise these apprentices would not be having adequate practical experience.

Your Committee also suggested that provisional certificate holders as possessed a fair knowledge and experience of the law and as would not care to appear for an examination owing to their advanced age, should not be required to appear at this examination but that exemption should be given to them.

They also observed that the interests of these men should be safeguarded and that as far as possible their application for permanent certificates should be favourably considered.

25. Tariff values of Cotton Goods.

Your Committee were informed by the Acting Under Secretary to the Government of Bombay, Revenue Department, with reference to the correspondence ending with their letter, dated 30th September 1914, to the Collector of Bombay that

the Government of India had decided that the Tariff Values of Cotton goods, fixed under section 7 of the Cotton Duties Act 1896 (2nd of 1896) should in future be revised annually in the month of February instead of as hitherto in the month of December and that the revised rates should take effect from 15th March each year. The Government of India, however, reserved at present the right to revise the valuations at any period in the event of a material fluctuation occurring in the prices of Cotton Goods.

26. The Tobacco Trade Question. Following up the correspondence with the Collector of Bombay, Tobacco Department, and the Commissioner of Customs and Excise, the Committee addressed a representation to Government regarding the difficulties the Tobacco trade was put to by a change in the godowns from the old warehouse in Civil Street to the new warehouse on the Custom House Road.

27. Interest for Decrees of Small Cause Courts In connection with the representation sent by the Committee regarding interest on claims in the Small Causes Court Suits (*vide* P. 42 to 51 of the Report of the Chamber, 1913-14) it is interesting to note the following announcement in the "Bombay Government Gazette" dated July 15th 1915.

"No. 1417—The Honourable the Chief Justice and Judges are pleased to direct that in column 2 of the Schedule appended to the Rules of procedure and Practice of the Court of Small Causes of Bombay, framed by the High Court under the presidency Small Causes Courts Acts, 1882 and 1885, and notified at pages 592 to 603 of the "Bombay Government Gazette" for 1909, Part I, for the entry "s. 34 omit." substitute "s. 34, where and in so far

as the decree is for the payment of money not less than Rs. 1,000."

The effect of this announcement is that the suggestion of the Committee has been accpted to this extent that Judges of the Small Causes Court are given the discretionary powers of awarding interest in case of suits of not less than Rs. 1,000.

28. Redirection of telegrams.

Your Committee were asked their opinion by the Southern Indian Chamber of Commerce regarding the justifiability or otherwise of the levying of the full inland rate for redirection of telegrams. The Committee agreed with them in thinking that such a levy was not justifiable and that such charges should be abolished to popularize telegraph service.

29. Commercial Congress.

The Committee have resolved to hold the first session of the Commercial Congress during Christmas holidays and for this purpose have formed a Reception Committee of the Committee of the Chamber with not less than one representative from each of the Local Commercial Indian Associations of Bombay.

30. War Notes and Notifications.

From the commencement of the War Government have been pleased to keep your Committee in touch with all the important changes and modifications effected in the existing procedure regarding departments connected with trade and commerce. Important announcements, regarding import and exports, telegrams, shipping, etc., have been forwarded to the Committee as soon as possible for information to the commercial community. Your Committee had arranged to circulate all these to the members through their Journal and also through Special extra circulars time after time.

31. Interviews with Members of the Government.

There were important interviews in the year under report with the Hon'ble Sir William Meyer, the Hon'ble Sir William Clark, and the Hon'ble Mr. Ley.

32. Death of the Hon'ble Captain Hardinge.

Your Committee sent a telegram of condolence at the death of Hon'ble Captain Hardinge on behalf of the Indian Commercial Community.

33. Death of the Hon. Mr. Gokhale.

Your Committee sent a telegram of condolence on the death of the Hon'ble Mr. Gokhale to his family.

34. Congratulations to the Hon'ble Sir William Meyer and Hon'ble Sir W. H. Clark.

Your Committee sent telegrams of congratulations to the Hon'ble Sir William Meyer and the Hon'ble Sir W. H. Clark on the bestowal on them by the Government of India, of the distinction of K. C. S. I.

35. The Journal.

The Journal of this Chamber has made a continually steady progress and is getting more and more popular.

36. Membership of the Chamber.

There was an increase of 9 members in the membership of the Chamber and 7 ceased to be members.

37. Balance Sheet.

The Balance-Sheet of the Chamber, audited by the Honorary Auditor, Mr. Cama of Messrs. A. C Rice & Co., is appended herewith.

THE INDIAN MERCHANTS' CHAMBER AND BUREAU.

Income and Expenditure Account at 31st August, 1915.

EXPENSES.	Amount.	Amount.
	Rs. a. p.	Rs. a. p.
To Office Establishment, Rent, Insurance, etc.	4,484 4 6	
,, Postage and Telegrams	253 9 6	
,, Miscellaneous Expenses	245 4 9	
,, Subscriptions to various Books, Journals and Magazines	504 6 3	
,, Printing Chamber's Reports, representations etc.	1,070 0 0	
,, Printing Chamber's Journal	2,549 8 0	
,, Commissions on Advertisements	695 13 5	
,, Stationery	203 0 6	
,, Donation to College of Commerce	1,000 0 0	
,, Carriage hire and law charges	47 10 6	
,, Furniture	23 0 0	
		11,076 9 5
,, Balance carried forward.		
4% Port Trust Bonds (at 201½)	3,037 8 0	
Cash with the Bank of India, Ltd.	561 5 1	
Cash with the Indian Specie Bank in Liquidation	16 9 7	
Cash on hand	64 13 2	
		3,680 3 10
	Total Rs.	14,756 13 3

I have examined the above account of income and Expenditure with the Books and Vouchers of the Indian Merchants' Chamber and Bureau, and certify the same to be correct.

A. E. CAMA, A. C. A.,
Chartered Accountant,
Hon. Auditor.

Bombay, 4th September 1915.

INCOME.			Amount.	Amount.
			Rs. a. p.	Rs. a. p.
By By Balance Brought Forward				4,119 10 5
,, Admission Fees.				
9 New members at Rs. 50/- each			450 0 0	
Less Fees Outstanding			50 0 0	
,, Membership Subscriptions.				400 0 0
222 Town Members at Rs. 30/- each	Rs.	6,660-0-0		
5 Upcountry Members at Rs. 5/- each	,,	25-0-0		
Old Recoveries	,,	150-0-0		
	Total ,,	6,835-0-0		
Less Subscriptions Outstanding	,,	165-0-0	6,670 0 0	
				7,070 0 0
,, Subscription to the Journal				840 14 0
,, Advertisements				2,468 8 10
,, Interest on the Port Trust Bonds, and Current account				149 4 0
,, Sale of Furniture and Fixtures	Rs.	98-8-0		
,, Sale of Old Magazines	,,	10-0 0		108 8 0
			Total Rs.	14,756 13 3

J. K. MEHTA,
Secretary.

FAZULBHOY CURRIMBHOY,
Chairman.

APPENDIX A.

List of Magazines and Papers received by the Chamber during the year under Report.

The Gazette of India.
" Bombay Government Gazette.
" Indian Trade Journal.
" Board of Trade Journal.
" Bankers' Magazine.
" Economist.
" Statist.
Investors' Review.
" Nation.
" Capital.
" Times of India.
" Commerce and Finance.
" Commerce and Cooperation.
" South Indian Trade Journal.
" Bulletin of Agricultural Statistics.
" London Chamber of Commerce Journal.
" Birmingham Chamber of Commerce Journal.
" Liverpool Chamber of Commerce Journal.
" Manchester Chamber of Commerce Journal.
" System.
" Review of Reviews.
" American Review of Reviews.
" Bulletin of Agricultural Intelligence.
" Bulletin of Economic and Social Intelligence.
" Modern Review.
" Journal of Agriculture (Quarterly).
" Bombay Samachar.
" Hindustan
" Rangoon Samachar.

The Gujrati.
„ Paisa Akhbar.
„ Vasant.
„ Buddhi Prakash.
„ Gnan Sudha.
„ Vaidya Kalpatru.
„ Kheti Vignan.
„ Shetki Ani Shelkari.
„ Masik Mitra.
„ Shruti bodh.
„ Sundari Subodh.
„ Sahitya.

APPENDIX B.

All Government publications are supplied free to the Chamber.

APPENDIX C.

Provincial Insolvency Act.

No. 5752 of 1914.

JUDICIAL DEPARTMENT:

Bombay Castle, 6th August 1914.

From

L. ROBERTSON, Esq.,

Secretary to the Government of Bombay.

To

THE SECRETARY,

Indian Merchants' Chamber and Bureau,

BOMBAY.

SIR,

I am directed to forward herewith a copy of a letter from the Government of India in the Home Department (Judicial) No. 659 dated the 23rd May 1914, and of its accompaniments, and to request that you will be so good as to furnish Government with the opinion of your association on the proposed amendments of the Provincial Insolvency Act, III of 1907, and with such suggestions as it may wish to make for an amendment of the Act in other particulars.

2. I am also to request that the reply to this letter may be sent so as to reach Government not later than the 1st September 1914.

I have the honour to be,

Sir,

Your most obedient servant,

(Sd.) A. F. KINDERSLEY,

for Secretary to Government.

Nos. 658—673.

From

THE HON'BLE MR. H. WHEELER, C.S.I., C.I.E.,
Secretary to the Government of India;

To

The Chief Secretary to the Government of Madras.
The Secretary to the Government of Bombay, Judicial Department.
The Chief Secretary to the Government of Bengal.
The Chief Secretary to the Government of Bihar and Orissa.
The Secretary to the Government of the United Provinces, Judicial Department.
The Chief Secretary to the Government of Punjab.
The Chief Secretary to the Government of Burma.
The Honourable The Chief Commissioner of the Central Provinces.
The Honourable The Chief Commissioner of Assam.
The Honourable The Chief Commissioner and Agent to the Governor General, North-West Frontier Provinces..
The Chief Commissioner of Coorg.
The Chief Commissioner of Delhi.

Home Department.
Judicial.

Simla, the 23rd May 1914.

SIR,

The attention of the Government of India has been drawn to various adverse comments which have been made in the annual provincial reports on the Administration of Civil Justice and in the press on the working of the Provincial Insolvency Act, 1907 (III of 1907). The Provincial Insolvency Act follows closely the cor-

responding English Act (46 and 47 Vict., Cap. 52), and that it was not put forward as a complete or perfect law of insolvency for the mofussil was admitted by the Hon'ble Sir Erle Richards when presenting the Select Committee's Report on the Bill which afterwards became law.

2. Prior to the passing of this Act, a debtor was entitled to apply to the Court to be declared an insolvent under chapter 20 of the Code of Civil Procedure, 1882, and under section 351 of that Code, the Court had discretion to refuse to make an order declaring the applicant to be an insolvent if it was not satisfied that the statements in the application were true, or if there was reason to believe that the judgment debtor, with intent to defraud his creditors, had concealed or transferred property, or had shown unfair preference to any creditor or had committed any act of bad faith. In the result many dishonest applicants for insolvency were exposed and their petitions rejected, and thereupon they became liable to arrest in execution of a decree, if their creditors could establish that they were really possessed of any property.

3. Although some of the earlier decisions of the Courts after the passing of the Act of 1907 give colour to the view that it was still possible to refuse asylum to a debtor who had applied for relief if he was proved guilty of fraudulent conduct, this position appears to be no longer maintained. According to more recent decisions of at least two High Courts (*vide* 12 C. L. J. 400 and 445 and 4 L. R. 32 All. 645) a Judge acting under section 15 of the Provincial Insolvency Act, 1907, is not empowered to reject the application made by a debtor for an order of adjudication even if such debtor was guilty of fraud, the words 'for any other sufficient cause' in section 15 (1) of the Act being interpreted with reference to the language of the rest of the section to apply to applications by creditors only: indeed one Judge has gone further and held that if a debtor has committed an act of insolvency (and his application is such an act), and the requirements of sections 5 and 6 are fulfilled, then the order of adjudication must follow as a matter of course.

4. The Government of India have no desire to question the correctness of this ruling, which appears to them to follow the strict interpretation of the existing law, but from the extracts from the annual Civil Justice reports, of which copies are enclosed, it is apprehended that in a large majority of cases the Act as at present applied is set in motion by debtors, particularly petty defaulters, for improper purposes, while creditors who have little to gain, very seldom initiate proceedings. Recent criticisms of the Act also indicate that in practice the provisions of section 43 are not sufficiently stringent. The anticipation that flagrant acts of bad faith would be prevented or punished by the special penalty provided by this section has scarcely been fulfilled; for these provisions would appear to be infrequently in operation, and strengthen the general impression that while the Act has made it easier for a debtor to get an order of adjudication, it is much more difficult to deny him, when acting *mala fide*, the protection of insolvency proceedings.

5. In the light of all these opinions the Governor General in Council considers that the need for an inquiry into the working of section 15 of the Act has been fully made out, and the opportunity may conveniently be taken to enquire generally as to the need of revision or amendment of the Act in other particulars. In this connection, I am to invite opinion with reference to the following amendments which have been suggested for the consideration of the Government of India :—

(*i*) To amend section 12 (2), 27 (1) and 42 (3) so as to give the Court discretion as to the manner of the publication of its proceedings instead of requiring publication in the local official Gazette in all cases. It is alleged that publication in this form is in many instances absolutely infructuous, as in ordinary mofussil insolvency cases the creditors are not drawn from classes who ever read the Gazette; moreover, the expense of such advertisement is a further objection, particularly in the case of petty estates, in which a considerable

portion of the insolvent's assets may be swallowed up by the cost of publication to the ultimate prejudice of the creditors.

(*ii*) To amend the proviso to section 13 so as to provide for an order being made, as a matter of course, for the appointment of an interim receiver of the property of the debtor or of any part thereof. Under the law, as it stands at present, a debtor can practically carry his application to the stage of adjudication without any question of his bad faith arising and without any check being placed on his control over the property. In England the Court makes a preliminary receiving order prior to the adjudication, and the debtor is bound to hand over any receipts to the receiver appointed under such order for the benefit of his creditors. The question of introducing a similar procedure in India was no doubt considered and negatived when the present Act was being drafted, partly in the interests of simplicity, and partly because it was thought it would be liable to abuse, but the information now available indicates that, without it, sufficient control cannot be obtained over the property of the debtor between the dates of the presentation of the petition and the passing of the adjudication order. The principle of giving the Court power over the assets from as early a stage as possible is admittedly sound in itself and it is believed that a preliminary receiving order might check the fraudulent tendency to make away with assets, especially in those districts in which there are Official Receivers. In this connection it is sugggested that the provisions of section 19 (1) for the appointment of Official Receivers should be more largely resorted to. In many districts it is understood that no Official Receivers exist and in practice either a pleader or the nazir of the Court is appointed as receiver. Unless such a person has

funds to pay the expenses of the necessary inquiries into the assets of insolvent debtors, and he usually has not, facilities for fraud are likely to be encouraged.

(*iii*) To amend section 33 (1)(*b*) with reference to the suggestion contained in the enclosed copy of a letter dated the 14th December, 1911, from the Upper India Chamber of Commerce, Cawnpore.

(*iv*) To insert the words *bona fide* which appear in the marginal note of section 38, in clauses (*a*), (*b*), (*c*), and (*d*) of that section.

(*v*) To amend section 43 (1) so as to make it specially incumbent on a debtor to produce before the Court or receiver all moveable property under his control.

(*vi*) To amend section 52 so as to provide for the delegation to a receiver appointed under the Act of the duty of examining creditors' account (*vide* section 24). The present powers of delegation are regarded as of little use, since there are few, if any, Official Receivers outside the Presidency towns.

6. I am to ask that (with the permission of His Excellency the Governor in Council / His Honour in Council / etc.) a reply to this reference may, if possible, be furnished by the 15th October next. The above statement of alleged defects in the present Act is not put forward as exhaustive, and should experience have demonstrated the need of further amendments, these should of course, be mentioned.

I have, etc.,

(Sd.) H. WHEELER,
ecretary to Government.

Extract from the Punjab Civil Justice Report, 1910.

* * * * * *

It is very clear that, considerable dissatisfaction is felt regarding the working of the Insolvency Act. For example, the District Judge of Ambala writes :—

"The Chief difficulty in insolvency work lies in the extreme meagreness of the evidence produced on both sides. This is hardly enough to justify the Court taking any action either one way or the other. The real facts of course are that the parties come to Court are utterly devoid of any facts or figures. Neither side produces any tangible evidence." If I adjudicate the petitioner an insolvent, it suddenly dawns on the creditors that they must make some effort to get the order set aside. They point out lacunae in the petitioner's case on appeal, and they find no difficulty in getting the case remanded because no petitioner ever puts up a decent case. If, on the other hand, I refuse to adjudicate the petitioner an insolvent, he finds it quite easy to point out to an appellate Court that no sufficien evidence was taken on certain points; so he gets the case remanded, and then on the second hearing he begins to make an effort to collect a little evidence.

"As far as my own experience goes, no debtor ever asks to have his order of discharge made absolute. Neither insolvents nor creditors realize that only an order of discharge releases an insolvent from the debts entered in the schedule."

So, again, Mr. S. S. Harris at Gujranwala,—

"The Act is one of the most complicated of the Acts applicable to this country; and as far as I can understand it seems opposed to commonsense. 'Acts of insolvency' are defined in section 4 of the Act. The greater number of acts of insolvency are acts of bad faith on the part of the debtor, and yet section 5 directs that if a debtor commits an act of insolvency, he may present an insolvency petition. In other words, he may do an act of bad faith and then he

may present an insolvency petition, and the Court may on such petition make an order of adjudication adjudging him an insolvent. His application cannot be dismissed for any act of bad faith on his part. If the debtor's debts amount to Rs. 500, or he had been arrested or imprisoned in execution of a decree of any Court for the payment of money, or an order of attachment in execution of such a decree has been made and is subsisting against his property, the Court is bound to make an order adjudging him an insolvent. Dishonest acts on the part of the debtor are only to be considered when he applies for an order of discharge under section 44. If the Court refuses the order of discharge, then apparently the debtor remains an insolvent all his life. The Act is silent on this point. Insolvency petitions by creditors and debtors are so mixed up in the Act that they make it all the more confusing. In this country it is very seldom that a creditor applies for his debtor to be declared an insolvent. It is invariably the debtor who applies. The provisions of the Act, relating to each, should have been separated."

Again, we read from Lyallpur that

"Applications are on the increase, and in the present year there have already been more persons declared insolvent than during the whole of the year under review. These applications are invariably made by debtors, and a good deal of misapprehension appears to exist as to the effect of a declaration of insolvency. In no case up to the present has an application for discharge been made, and the debtors who apply to be declared insolvent appear to be under the impression that once an order of adjudication has been passed they are relieved from liability and no further action is necessary. From recent rulings of the Calcutta and Allahabad High Courts, however, it would appear that practically every application presented by a debtor must be accepted as a matter of course, it being perfectly immaterial whether he is able to pay his debts or not, and it would be difficult to find any valid ground for opposing the passing of an order of adjudication in such cases. It is probable that the ordinary unofficial receiver makes very little,

serious effect to recover the property of an insolvent, and the usual effect of passing an order of adjudication seems to be to leave matters very much in *statu quo ante*, with the simple difference that the insolvent is secure from arrest. Apparently, the only remedy left open to creditors in such cases would be to allow the insolvent a reasonable time to apply for an order of discharge, and, in the event of his failing to do so, to apply under section 16 of the Act for permission to take out execution against him, but I have not yet met with any instance where this course has been followed. If the number of insolvency applications continues to increase at the present rate, it may shortly be necessary to consider whether an official receiver for this district should be appointed. Unless strict supervision is exercised over the administration of insolvents' estates, I think that the Act can do little or no good, it being used principally as a means of evading imprisonment for debt."

Rai Bahadur Sansar Chand says,—

"My own experience is that it has increased dishonesty and bad feeling amongst debtors, and has also given them loophole to defraud creditors and to be extravagant at their expense.

A debtor, when he sees that the provisions of section 60 of the Civil Procedure Code and those of the Alienation of Land Act do not come to his rescue or stand him in good stead, resorts to those of this Act as they are wide and vague enough to cover any possible plea and give him permanent immunity from his lawfully contracted debts. Mere filing an application for insolvency is an act of insolvency, and therefore if he has once the hardihood to file such an application he is sure in nine cases out of ten to be declared an insolvent and thus to be peremptorily relieved of all his lawful debts. Ordinary agriculturists and common people have no compunction whatsoever about filing such applications recklessly. Matters which ought to be sifted, before adjudicating them insolvent, are not required by the Act to be so sifted and therefore they lose all efficacy so far as creditors are concerned, and thus give a very great advantage to shameless debtors. Hence, the provisions of this Act engender laziness and shamelessness.

"Under all these circumstances, therefore, I would suggest that most of the matters contained in section 44 should be made to be inquired before declaring a person an insolvent; and above all his *paying capacity*, as distinguished from *actual material ready to hand assets*, should be taken into consideration."

The Judges think that there is force in many of these remarks, but they prefer not to discuss the Act until further exprience of its working has been obtained.

ENCLOSURE II.

Extract from the Central Provinces Civil Justice Report, 1910.

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INSOLVENCY.—The increase mentioned in the report for 1909 was maintained in 1910, the number of applications rising from 597 to 731 and the pending file from 208 to 314. The heavy pending file in East Behar has been reduced from 206 to 171, but that in the Central Provinces has gone up from 58 to 106, although the number of applications disposed of was 241 compared with 215 in 1909. Insolvents rarely apply for discharge under section 44 of the Provincial Insolvency Act (III of 1907), and as that Act contains provision enabling the Court to discharge a debtor without application from him, the number of insolvents whose cases are shown as pending continually increases, having gone up from 44 at the close of 1908 to 208 in 1909 and 538 in 1910. Many Judges comment adversely on the working of the Act, and the fact that only 6 out of the 731 applications in 1910 were filed by creditors clearly shows that it is only debtors who are considered to benefit by it. As the remarks of the District Judge, West Berar, which were given in the report for 1909 accurately describe the present position it is unnecessary to quote any of the comments made in the District

Judicial Statement No. 12.

and Divisional reports for 1910. The plain fact is that under the Code of 1882 an application to be declared an insolvent was generally the outcome of release from arrest obtained under section 336 and that the position is the same under section 55 (4) of the present Code. Once free, with an application presented under the Provincial Insolvency Act pending, the debtor frequently does not trouble to appear, relying doubtless on the stereotyped attitude of creditors, who regard insolvency proceedings as disadvantageous to their interests. Besides acting under section 13 (1) of the Insolvency Act as suggested in paragraph 13 of the report for 1909, the Insolvency Court should see that each defaulting debtor is reported to the Court which discharged him from arrest; action can then be taken in that Court for realising the security on which his release was obtained or for committing him again to the Civil prison under section 55 (4) of the Civil Procedure Code.

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Extract from the Resolution by the Honourable the Chief Commissioner of the Central Provinces thereon.

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Insolvency suits show a remarkable rise, and are about seven times as numerous at the end of the quinquennium as they were at the beginning.

The Divisional Judge of Nagpur speaks of the increase in applications. "Under the old Civil Procedure Code, fraudulent transfers of property, reckless debt-contracting and undue preference to creditors were sufficient grounds for dismissing applications, whereas these are now good grounds for adjudication of insolvency, but not for discharge. The provisions of the Insolvency Act are intricate and little understood, and the proceedings mostly end in djudication of insolvency, the estate being generally small and not

worth the while of creditors to prove their debts. The District Judge of Nagpur says that no one understands the proceedings, and the District Judge of East Behar finds the position not improved on what he reported as District Judge of West Berar. The Divisional Judge of Jubbulpore is also thoroughly dissatisfied with the working of the Act. The Chief Commissioner would like the Judicial Commissioner to examine the causes of these difficulties with a view to their removal, if this be found possible. The Act does not at present seem to be securing the object with which it was enacted.

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ENCLOSURE III.

Extract from the Allahabad High Court Report of Civil Justice, 1912.

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The District Judge of Mirzapur and Saharanpur comment on the unsatisfactory working of the Insolvency Act, III of 1907. The District Judge of Mirzapur states that in his judgeship no insolvent has ever been known to apply for his discharge, while at Saharanpur an application for discharge was made on the part of debtors who admittedly had not paid a farthing to their creditors, although they had ample means to pay a fair sum. An impression appears to prevail that the Act is used for the purpose of defrauding creditors.

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ENCLOSURE IV.

Extract from the Punjab Civil Justice Report 1912.

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A curious feature of the year's returns, to which reference has been made already, is the increase of insolvency petitions in the Jhang

and Lyallpur districts. In Lyallpur 137 petitions were presented against 72 in 1911 and in Jhang 149 against 38. The petitioners are reported to be agriculturists for the most part, and in Lyallpur at any rate, the tendency to file petitions was still growing at the end of the year, 56 fresh petitions being presented in January 1913. Compared with those of other districts the figures are extraordinary. In Lahore there were 98 petitions described by the District Judge as being chiefly those of employees in public offices whom circumstances and extravagant habits have forced to take loans at exorbitant rates of interest from professional money-lenders. The next highest figures are 58 in Ravalpindi and 55 in Gurdaspur. In Hissar, Multan and Attock where harvests were poor the numbers were 27, 30 and 10. Montgomery and Jhelum had 4 each and Dera Ghazi Khan 1. The District Judge of Jhang does not throw much light upon the causes at work in his district beyond repeating an assertion made by him in his report for 1911 that Act III of 1907 is demoralising the people and saying that in Jhang debtors habitually file "insolvency" petitions with the object of defrauding their creditors "under the unfortunate counsels of designing people and legal advisers."

Mr. Talbot, District Judge of Lyallpur, writes that as the law is now applied, it is the easiest matter in the world to obtain an order of adjudication. This frees the debtor from fear of arrest, reduces the rate of interest on his debts, and does not affect his social position. He gains much and loses nothing. There are also special circumstances which have operated to increase the number of applications in Lyallpur. One is the lavish provision which has been made in the past for the maintenance allowance of insolvents. It has been the custom of the receiver to auction the lease of the insolvent's land leaving him sometimes half a square for the support of himself and his family. Another is a practice, which has obtained, of allowing the income of the insolvent's estate to accumulate with a view to the purchase of proprietory rights, which in some instances have actually been acquired by this process. The

advantage to the creditors is that the acquisition of proprietory rights removes the restrictions imposed by section 19 of the Colonization of Government Lands Act on leases by occupancy tenants. The debtor, on the other hand, escapes payment of malikana and obtains the valued status of proprietor, without having to borrow more money to pay for it. Mr. Talbot has found that the provisions of sections 18 and 19 of the Colonization of Government Lands Act have been overlooked in many cases where the holdings of insolvent tenants have been leased out by receivers. He has arranged that in future the correct procedure shall be observed and that the accumulation of insolvent's income shall cease.

An Official Receiver for the Lyallpur district was appointed in March 1912. The appointment is an experimental one for three years and is held by a member of the Local Bar.

The Judges think that it is a serious matter if Punjab agriculturists, who are already artificially protected by statute in various other ways, are now enabled to make unfair use of the provisions of the Insolvency Act. Such a tendency is reported from more than one district. The District Judge of Rawalpindi (Mr. Parker) believes that one effect will be to restrict credit and that this result may eventually prove a blessing. It is certainly obvious that creditors can protect themselves by the simple expedient of refusing to lend money except on adequate security. These cases rarely come before the Chief Court in any form, and the Judges cannot say as yet whether there is any more direct remedy for the abuse.

Extract from the review by His Honour the Lieutenant-Governor of the Punjab thereon.

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With regard to the classification of suits, there is little that calls for remark except the tendency in certain districts for the

agriculturist classes to avail themselves of the privileges of the Insolvency Act. In Lyallpur and Jhang especially such petitions are increasing with great rapidity. The increase in Lyallpur seems partly due to the careful arrangements made for the insolvent's comfort and pecuniary advantage The Judges are of opinion that it is a serious matter if Punjab agriculturists, who are artificially protected by much legislation, are enabled also to make unfair use of the Insolvency Act. No other legislation, however, protects them from arrest, applications for which are generally the cause of petitions for insolvency. But the fact remains that the social disgrace attaching to insolvency, in Western countries, is little operative among the classes who avail themselves of the insolvency procedure in the Chenab Colony, and the tendency is so marked that His Honour considers it desirable that the Judges should direct a special enquiry into the subject with the view of checking any abuses of the procedure that may be established. It is *prima facie* hard to understand why applications to be declared insolvent should be most frequent among that class of agriculturists which is admittedly the most prosperous in the province.

ENCLOSURE V.

Extract from the North-West Frontier Province Civil Justice Report, 1912.

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Provincial Insolvency Act.

The number of applications for disposal was 101, of which 46 were withdrawn. Eleven insolvents were discharged during the year. As regards the increase in such applications in Peshawar, the District Judge remarks:—

"The increase of applications is very marked and there is reason to believe that when Act III of 1907 is better known the increase will be great. The majority of applicants keep no account books.

Their debts as a rule are genuine and they can easily prove that such amount to Rs. 500. On the other hand it is impossible for the creditors to prove that the applicants have any assets though they may have considerable sums in cash secreted. The Act is extremely liable to abuse and one may suggest that its existence in the province is really unnecessary in view of the discretional powers invested in Civil Courts regarding the imprisonment of debtors."

On this the Divisional Judge (Mr. Rennie) comments as follows :—

"Insolvency applications were 42 as against 22 in 1911. Of these no less than 31 were withdrawn, a fact which seems to show that judgment debtors are appreciating more and more the means thus placed at their disposal of forcing creditors to terms. Needless to say no stigma attaches to such applications whether successful or unsuccessful, and the tendency of pleading insolvency in order to defeat legitimate claims appears to be on the increase."

In Bannu out of 25 applications disposed of not a single one resulted in an order of adjudication, the grounds for refusal being that the aid of the Court had been invoked merely with a view to defraud creditors.

In Kohat the Act is still practically a dead letter, and very little resort appears to have been had to it in D. I. Khan. The General impression appears to be that the law is chiefly designed to protect insolvent debtors and that an application to be declared insolvent nullifies a decree provided the judgment-debtor's liabilities exceed Rs. 500. In no case have the creditors of an insolvent applied for an adjudication, and the petition of the debtor himself is always strongly opposed. With a careful administration of the Act for a few years the prejudices entertained against it in business circles will perhaps weaken. It is yet too early to express an opinion as to whether the insolvency law, as it now stands, is fully adapted to the circumstances of the Province.

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Extract from the review by the Chief Commissioner of the North-West Frontier Province thereon.

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As regards other special legislation, the Chief Commissioner has perused with attention the observations of the judicial Commissioner on the working of the Provincial Insolvency Act, which has been discussed for the first time since its application to this province in 1909. It is satisfactory that the District Courts appear fully alive to the possibility of its misuse by insolvent debtors, and the remarks of the Divisional Judge and District Judge, Peshawar, which have been reproduced in the report, are of interest in this connection. Even in the modified form in which the Act left the hands of the Select Committee of the Legislative Council, the Chief Commissioner is by no means certain that it is not in advance of the requirements of the commercial community of the North-West Frontier Province, and should the Judicial Commissioner consider it desirable on further experience to recommend the suspension of some of its more elaborate provisions, the Chief Commissioner would be ready to consider the exercise of his discretion under section 54 with this object.

ENCLOSURE VI.

Dated the 14th December 1911.

From

The Secretary, Upper India Chamber of Commerce,
Cawnpore.

To

The Secretary to the Government of the United Provinces,
Judicial (Civil) Department.

I am directed to address you with reference to a very anomalous variation between the law of insolvency in England and India.

In the matter of preferential debts the English law recognises two classes of employees, those in receipt of wages or salary not exceeding £50 in respect of services rendered during four months prior to the receiving order, and those in receipt of wages not exceeding £25 for services—whether time or piece work—rendered during two months prior to the date of the receiving order.

The Indian Law, on the other hand, provides for only one class of employees, those whose salary or wages does not exceed Rs. 20 in all in respect of services rendered to the insolvent during four months before the date of the presentation of the petition.

My Committee beg to suggest that when the Indian Insolvency Act again comes up for examination, it should be amended so as to follow the lines of the English Statute with the modification that in the case of higher grade servants the limit up to which priority over all other creditors may be claimed should not exceed Rs. 1,000, and in the lower grade Rs. 200, in respect of services rendered to the insolvent during four months before the date of the presentation of the petition, to which should be added in the case of servants of the higher grade covenanted in the United Kingdom or other foreign country, the cost of a second class passage by steamer back to the said country.

The Committee trust that His Honour the Lieutenant-Governor may see his way to submit the foregoing recommendations for the consideration of the Government of India with his support.

77-79, APOLLO STREET,
Bombay, 5th October 1914.

From

THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

L. ROBERTSON, ESQUIRE, I.C.S.,
Secretary to the Government of Bombay,
BOMBAY.

SIR,

Under directions of the Committee of this Chamber, I beg to send hereby their views on the proposed amendments of the Provincial Insolvency Act III of 1907, as asked for in your letter of the 6th August 1914 No. 575–N. of 1914. My Committee agree with the Government that there is no doubt that petitions for insolvency are growing in numbers from the time of the introduction of the present Provincial Insolvency Act.

2. Under Section 344, Chapter XX of the old Civil Procedure Code, an application for insolvency could only be made after a man was arrested in execution of a decree, or an order for attachment of his property was made. So, before these occasions arrived, a debtor often made strenuous efforts to pay up the decretal debts in order to avoid them, which were always considered disgraceful.

Under Section 5 of the Provincial Insolvency Act, however, a debtor who commits an act of insolvency—presenting a petition itself is an act of insolvency—can apply for insolvency. Petty debtors—not those who are *bona fide* incapable of meeting their liabilities but those who are disinclined to pay anything—go in larger numbers to seek the benefit of the Act. To prevent such a state of things, my committee beg to suggest that Sec. 15 (1) which only deals with cases of dismissal of petitions by creditors under certain conditions should also provide similarly for dismissal of petitions by debtors

under certain specified circumstances as those that are given in Sec. 351 of the old Civil Procedure Code of 1882, *viz.*, (*a*) concealment, transfer or removal of property with intent to defraud creditors; (*b*) recklessly contracting debts; (*c*) undue preference; and (*d*) any other act of bad faith regarding the matter of the applications. Creditors should be allowed to prove this at a public examination of the debtor in Court before the order for adjudication is made. They may also be allowed to prove the circumstances of the debtor and his further means of payment; and the Court should be empowered to dismiss the petition, if having regard to all circumstances stated above it may be of opinion that the application should be dismissed.

3. My Committee approve of amending section 13 so that all properties of an insolvent shall immediately be vested in the official receiver and be taken charge of by him, as soon, after the petition is filed, as possible.

4. With regard to Section 19 it is desirable that official receivers should be appointed in all Districts and a provision for what is known as a vesting order under Section 7 of Statute 11 and 12 Vic. C. 21 should be inserted in the Insolvency Act.

5. The amendments proposed by the Government of India in ss. 12, 16 (7), 27 and 44 as regards the manner of publication should be adopted as people in the mofussil are not much familiar with the Government Gazette.

6. With reference to section 33 (1) (6) my Committee beg to suggest that the limit of arrears of wages or salaries, to be given priority, should be not more than Rs. 100. To fix a higher limit would be doing injustice to other creditors.

7. Section 38 may be amended by putting in, the word *bona fide*, in each of the clauses *a*, *b*, *c*, *d*.

8. My Committee also approve of amending Section 43 (1) by adding a clause compelling a debtor to produce all his moveables before the receiver or the Court and of amending Section 52 by giving to official receivers power to examine accounts.

9. My Committee beg to draw the attention of the Government to the fact that as the law stands at present, the debtor never cares for discharge and chooses to remain an undischarged insolvent in order that no inquiry may be made by the Court as regards fraudulent concealment of property or of fabricating the accounts, etc. The evil is, in the opinion of the committee, very great, and may be remedied by fixing some time limit, say six months, extensible by order of the Court if good reasons be shown, in which applicants must be compelled to apply for a discharge order or the adjudication order shall be cancelled.

10. There is another provision which has badly required to be made for the benefit of all *bona fide* insolvent traders. There is no provision in the Act for protecting a *bona fide* insolvent petitioner from personal arrest as there is in the English statute above referred to. No doubt as soon as he is arrested the insolvent debtor may be released on his furnishing security to appear and file a petition in insolvency. But as the statute law stands at present, the insolvent debtor in the Mofussil even though he may have filed an insolvency petition is liable to be arrested for as many separate decrees as may be standing against him. It has been said in I. L. R. 8 Madras 97 at p. 98 that there is such a power to grant such a protection from personal arrest inherent in Courts both of original and appellate jurisdiction; if so nothing would be lost by making the statute law clearer by providing for such a power to grant protection from personal arrest as soon as an insolvency petition is presented and a vesting order made. See Abdul Razac v/s. Basiruddin Ahmad 14 C. W. N. 586.

11. My Committee think that the right given to a creditor to get his debtor adjudged insolvent is likely to be abused. A designing creditor to whom Rs. 500 are due can irreparably injure the reputation of his debtor. My Committee beg therefore to suggest that the limit of the claim which should entitle a creditor to present his petition should be fixed at 10 p. c. of the total debts of the debtor if they exceed Rs. 5,000. Section 15 provides that upto Rs. 1,000 may be awarded as compensation to a debtor in the event of his creditors' application being found to be frivolous

or vexatious. This compensation may not be sufficient sometimes for loss of reputation, and my Committee think it advisable that discretionary powers should be given to Courts to mete out higher punishment if the creditor is proved to have presented the petition *mala fide* with the object of causing loss of reputation of the debtor.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary.

APPENDIX D.

Cutting Currency Notes.

No. 1246-F.

FINANCE DEPARTMENT.

ACCOUNTS AND FINANCE.

PAPER CURRENCY.

From

THE HON'BLE MR. J. B. BRUNYATE, C.I.E., I.C.S.,
Secretary to the Government of India.

To

THE SECRETARY,
Indian Merchants' Chamber and Bureau,
BOMBAY.

Dated Simla, the 31st August 1914.

SIR,

I am directed to address you as to the desirability of taking steps to bring to an end the present practice of cutting currency notes.

2. The use of paper currency in this country has been rapidly growing in recent years, and there is no reason to doubt that this increase will continue, more particularly if it proves possible to extend the facilities afforded by the system, as for example, by the universalization of the Rs. 500 note, as recommended by the Royal Commission on Indian Currency and Finance, or by the gradual increase of the number of currency centres. A number of practical questions relating to the paper currency system have thus begun to claim increased attention, and the Government of India are impressed with the necessity for removing any defects of method and procedure which are likely to hinder its growth and popularity or to entail loss to the public. Thus, with a view to diminishing the possibilities of fraud, the Government of India have already under consideration the question of discontinuing the re-issue of used notes. An officer had also been deputed to England to investigate the question of the improvement of the present form and design of paper money and to study the most modern and scientific methods of defeating the counterfeiter. It is probable that a reference will shortly be made to you in this matter. The question of discouraging the cutting of notes belongs to the same group of problems, but is of sufficient importance to require separate treatment.

3. This practice, the primary object of which, as is well-known, is to facilitate the use of notes for remittance purposes, has been proved by the repeated experience of the Paper Currency Department to lend itself to the commission of fraud. The examination of divided notes also entails the expenditure of much care and time in the offices of the Department and consequent delay in encashment and inconvenience to the public. Such delay can of course be minimised by the employment of larger establishments than would otherwise be necessary, but it is evident that, with any considerable further development of the circulation, it must cause increasing impediments to the acceptability and smooth administration of the currency note system. It seems desirable, therefore, to take steps to discontinue a practice which, if not actually prohibited in other countries, is only recognised tacitly because it has not reached

elsewhere the dimensions prevailing in India; and though the Government of India recognise that there must be objections of a temporary nature to any change of system in this respect, they think that probably the time has come when these temporary difficulties should be faced. They would accordingly be glad to be furnished with an expression of your opinion on this general proposal. They recognise, however, that any procedure to be adopted with this end in view must be considerate and cautious, and I am to outline tentatively below the general lines on which, as at present advised, they think it might be desirable to proceed.

4. The first and obvious objection to prohibition is that it would withdraw from the public a means of remittance which is undoubtedly valued, especially in a country which is at present meagrely provided with banking facilities and where the use of the cheque as a form of currency is still restricted to a comparatively small class. As regards petty remittances, however, the system of postal insurance of notes up to a limit of value of Rs. 2,000 supplies an adequate means of remittance at a cost which is not excessive for such cases. As regards the larger transactions of trade, the Government of India's experience is that even with the universalization of notes up to and including Rs. 100, the use of notes for remittance purposes, though undoubtedly large, is not so great as was at one time anticipated. The Government already allow very considerable regular facilities for remittances at moderate rates, and though the matter is not one in which any explicit undertaking can at present be given, they look forward to extending the field of such remittances in the future as opportunity offers.

5. A further difficulty is that of bringing home effectively to the public as a whole, and particularly to that portion of the public which deals in small sums, the fact that this practice is coming to an end. If excessive notice is given, the intention announced is likely to be forgotten before the time arrives for making it operative; if moderate notice is allowed, the intended change may not be sufficiently widely known and understood. It is suggested, however, that a preliminary notice of one year will probably be as long as is desirable. It is also

considered that any penalties enforced thereafter should, for some time to come at any rate, be on a strictly moderate scale. The general idea would be that during the year to which the notice extended, no penalties whatever would be imposed on the tenderer of half notes whether the notes tendered had been issued before or after the notice was first given. Thereafter, the tenderer of cut notes would have to pay penalties on some such scale as the following, the question of the exact amounts to be fixed being, however, one of the points on which opinions are now invited :—

Rs.	5	Notes ...	... One anna per piece.
,,	10	,, ...	... Two annas per piece.
,,	50	,, ...	... Three annas per piece.
,,	100	notes and over	... Four annas per cent.

The scale thus fixed at the outset might afterwards be found to suffice as a permanent arrangement; or, on the other hand, after a suitable further interval, it might be desirable to make the penalties more stringent. The original scale, however, would remain in force for two or three years at any rate, and whatever further steps might be taken at a subsequent date, the Government of India do not contemplate that a currency note should at any time be absolutely refused and converted into so much waste paper, merely because it has been cut.

6. I am accordingly to ask for the opinion of your Chamber on the following points :—

(1) Whether it is not desirable that the practice of cutting currency notes should be discouraged.

(2) Whether the methods above proposed for effecting this purpose are suitable, or, if not, what alternative methods are recommended.

(3) Whether the penalties suggested in paragraph 5 above are suitable.

7. I am further to explain that in any case no steps in the direction contemplated would be taken until normal conditions once more obtain in respect of trade and credit.

8. Local Governments are also being consulted on the above questions, and it will be convenient if, when replying to this letter, you will send a copy of your reply to the Government of your Province, so that the latter may be in possession of the views of your Chamber.

I have the honour to be,
Sir,
Your most obedient and humble servant,
E. BURDON,
for Secretary to the Government of India.

23rd October 1914.

From
THE SECRETATY,
The Indian Merchants' Chamber and Bureau.

To
THE HON'BLE Mr. J. B. BRUNYATE, C.I.E., I.C.S.,
Secretary to the Government of India,
Finance Department,
SIMLA.

SIR,

Under directions of the Committee of this Chamber, I beg to send to you hereby, in reply to your letter of the 31st August 1914 No. 1246 F, their views on the question of the desirability of taking steps to bring to an end the present practice of cutting currency notes.

My Committee appreciate the efforts being made by the Government with a view to popularise the currency notes and diminishing the possibilities of fraud. They however fear that the suggestion of Government, though well intentioned, will rather arrest than stimulate the larger circulation of currency notes of which the Government are so desirous.

Reports of the Paper Currency Department show that currency notes have attained to a great deal of popularity and are largely used for remittance purposes from one part of the country to the other. My Committee think that the proposed suggestion will come greatly in the way of this popularity and inflict needless inconvenience. They are not aware that the number of frauds in connection with the transmission of currency notes by post is at all so extensive as to justify any action being taken in the matter, on the lines proposed in your letter. The popularity of this form of currency, which was referred to even by the recent Royal Commission on Currency and Finance, has been built up steadily through a long series of years and my Committee view with apprehension any step which would interfere, to the least extent, with it and arrest the very steady and gratifying progress it has made..

The classes of people who resort to this cutting system have not yet come to that standard of education when they can easily understand the convenience, safety and the facilities offered by the system of inland exchange, postal insurance, money-order, and so forth. A few years more and such a suggestion might be carried with effect, but for the present my Committee respectfully submit that both reasons of expediency and prudence demand that it might be dropped.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA,

Secretary.

APPENDIX E.

Usurious Demands of Money-Lenders.

No. 6498.

JUDICIAL DEPARTMENT.

Bombay Castle, 7th September 1914.

From

A. F. KINDERSLEY, Esq.,

Under Secretary to Government,

BOMBAY.

To

THE SECRETARY,

Indian Merchants' Chamber and Bureau,

BOMBAY.

SIR,

I am directed to forward herewith a copy of a Government Resolution in this Department No. 6495, dated this day, regarding the feasibility of preventing the use of Civil Courts as an agency for the realisation of the usurious demands of money-lenders, and to request that you will favour Government with the opinion of the Chamber on the points indicated in paragraph 1 of the Resolution.

2. I am also to request the favour of your reply being sent to Government not later than the 10th October 1914.

I have honour to be,

Sir,

Your most obedient servant,

A. F. KINDERSLEY.

Under Secretary to Government.

Regarding the feasibility of preventing the use of Civil Courts as an agency for the realisation of the usurious demands of money-lenders.

No. 1052—1063, dated the 6th July 1914.

From

The Secretary to the Government of India,
Home Department (Judicial)

To

The Secretary to the Government of Bombay,
Judicial Department.

I am directed to request an expression of the opinion of the local Government, after such consultation with representative officials and non-officials as may be considered necessary, upon the feasibility of preventing the use of the Civil Courts as an agency for the realisation of the usurious demands of money-lenders.

2. The subject is one about which much has already been written and said, while in the columns of the press it is constantly referred to in one form and another, the latest public discussion having been in the Legislative Council of the United Provinces on a motion of the Honourable Khwaja Ghulam-us-Saqlain to introduce a Bill to amend and improve the local law relating to interest. This motion was lost. The early history of relevant legislation, terminating in Act XXVIII of 1855 which abolished the restrictions on the rate of interest that were previously in force, is probably fairly well-known, and it is to be found in various text books; but for convenience the more important of the recent examinations of the question are noticed below.

The check of usury was one of the important matters referred in 1891 to the Deccan Agriculturists Relief Act Commission (*vide* paragraphs 36 and 37 of the Home Department, Resolution No. 17, Judicial—1497-1502, dated the 10th November 1891), and the suggestion was then put forward that if unfairness or inequality

between the parties to a bargain was established, or appeared probable, it should be part of the general law that the courts might go behind the contract and reopen its past history with a view to putting the party which had the advantage to the proof of the fairness of the transaction. Upon the basis of the Commission's report, which recommended various changes in the law, all local Governments and Administrations were consulted in Home Department Circular No. 05-607-615, dated the 4th June 1894, on two points which were summarised as follows :—

(*i*) To amend the law regarding usury so as to make it clear by a specific enactment to this effect that the courts, before awarding stipulated interest, shall be bound to inquire as to coercion, undue influence, fraud, or misrepresentation, wherever there is a reasonable suspicion of any of these; and to provide in the Contract Act that the taking of an undue advantage of a debtor's simplicity or necessities shall, equally with the above causes, render an agreement voidable.

(*ii*) By additions to the Evidence Act, to enable the court to require independent evidence of a transaction if it disbelieves or doubts the recorded consideration, and likewise to require proof of *bona fides* from the party who contracted when in a position of decided advantage.

Except for opposition from Madras, there was a general consensus of opinion that some change of the law was required, though views differed as to its form, and in the event the Indian Courts Act Amendment Act, 1899 (Act VI of 1899), was passed indicating the circumstances in which a contract may be said to be induced by "undue influence" and conferring power to set aside a contract so obtained.

Experience has, however, shown that this amendment of the law has not proved sufficient to check the evil, and attention is

invited to the cases referred to by the Honourable Khwaja Ghulam-us-Saqlain, in the Budget debate of 1913-14 in the Legislative Council of the United Provinces.

3. A second line of correspondence was also developed as the result of the enquiries of the Deccan Agriculturists Relief Act Commission, when the Government of India (*vide* the Home Department circular of the 31st October 1895) circulated a draft Bill for the protection generally of agriculturists, which, incidentally, touched upon the matter of usury. The measure conferred power on the courts to investigate the history of a transaction even when it was admitted by the debtor; to make enquiry as to the existence of fraud, mistake, accident or undue influence; to open an account between the parties in respect of a transaction, and to disallow the accumulation of interest or the payment of anything beyond simple interest. The Bill met with a mixed reception; it was adversely criticised by the local Governments of Madras, Bengal and the Punjab, though accepted in the North-West Provinces, Burma and the Central Provinces, and in view of the opposition encountered the Government of India decided finally to drop it.

4. About this same time another measure was equally unsuccessful, namely, a Bill introduced in the Imperial Legislative Council by the Honourable Mr. Mohini Mohan Roy which would have debarred a court, in any suit for a simple money or mortgage debt, from awarding interest exceeding in amount the original principal, or where there had been payment in reduction of the principal, exceeding in amount the reduced principal. The opinions received were generally unfavourable, and as the Honourable Mover ceased to be a Member of Council the proposal was not proceeded with.

5. There has ben no general reference lon the subject since 1895, though it has been examined on various isolated proposals.

( ) To Bombay only.

(, and in Bombay the report of the Deccan Agriculturists Relief Act Commission, 1912, contains much that has an important bearing upon the remarks below). The Governor-General in Council is

of opinion, therefore, that the time is now ripe for the reconsideration of an admitted evil in the hope, if possible, of discovering a remedy. That the evil is present scarcely requires elaboration, and instances in which the courts at present give decrees for sums most exorbitantly in excess of the original principal advanced are constantly being brought to notice. In fact, although, as shown above, the previous discussions have resulted in little more than the amendment of the Contract Act in 1899 and have revealed much divergence of views, there has been little challenge of the existence of a state of affairs which it would be advantageous to terminate. The difficulty has been in finding a solution of the problem, and in again reopening the subject the Government of India trust that the correspondence will be kept on practical lines. The theoretical economic arguments on the subject of usury are already on record, and the present reference is not intended to result in the mere repetition of them. The important issues are, firstly, whether the courts are, as a matter of fact, at present compelled to give effect to unconscionable contracts, and to enforce the payment of inequitable and extortionate demands; secondly, whether, if the answer is in the affirmative, this abuse of the authority of the courts has attained such dimensions that it is expedient to take steps to remedy it; and thirdly, in what manner it can be prevented without engendering consequences more prejudicial to the interests of those concerned than exist at present.

6. The main remedies usually suggested for the suppression of usury are perhaps the following:—

(*a*) The fixing of a legal maximum *rate* of interest recoverable.

(*b*) The determination of a legal maximum *amount* of interest recoverable (commonly known in India as the rule of *damdupat*).

(*c*) The bestowal of authority on the courts to go behind a contract, reopen a transaction, and reduce the rate of interest to what is thought to be equitable.

The first of these solutions has the authority of various foreign precedents and of certain special local laws in this country, but the Government of India are willing to accept the adverse opinion of the Select Committee of the Houses of Parliament on money-lending which reported in 1898 as follows :—

> "Your Committee consider that a high rate of interest is not in itself incompatible with fair dealing, and that no limit of interest can be prescribed which would be adapted to the widely different conditions, under which these loans are contracted, and further, that if a maximum rate were fixed by statute, the interest would tend in all cases to rise to that maximum.
>
> "Moreover, the transaction into which your Committee have inquired show that the greatest possible ingenuity would probably be exercised in circumventing any rules, and they cannot but consider that any hard and fast rule of this nature would be evaded.
>
> "For instance, it appears that in the United States, although there is in certain States a usuary law of modern enactment limiting interest to 6 per cent., the actual rate of interest, even on mortagages in such States has recently averaged between 7 and 8 per cent., the rates in many cases being far higher.
>
> "For these and other reasons your Committeee do not recommend any statutory limitation of interest."

The extract sums up the patent objections to this form of remedy, and the Government of India do not endorse it.

7. The rule of *damdupat* has the advantage of being already in force in parts of the country, *e. g.*, as between Hindus in the Presidency town of Calcutta, in Berar and Bombay, and in certain Native States, and it has the authority of the early Hindu lawgivers; but in speaking of the rule it is important to define what is in mind. To be fully efficacious the rule should restrict the total sum recover-

able altogether as interest to the amount of the principal, but as interpreted by the courts this limit is only applicable to the amount recoverable at the time the suit is brought without allowance for previous sums thus paid. At best, however, the rule is a rough and ready remedy, perhaps more suited to the simpler times in which it originated than to the more complicated stage now reached when more carefully constructed laws are called for. In the case of Ram Connoy Audicary *vs.* Johur Lal Dutt (I. L. R., 5 Calcutta 867), Mr. Justice Wilson speaks of this law of *damdupat* as a rule of limitation, but the limitation is one which only affects the accumulation of interest, and when the suit is delayed until the interest at the stipulated rate exceeds the principal, this rule also indirectly controls the rate of interest. It is possible that the rule would not in many cases work equitably, and one result of it is that it forces creditors to sue for their money in some cases earlier than they would have done in other circumstances. Such merits as the rule possesses are simplicity and automatic action, and it is in consonance with Hindu feeling. While not insistent upon it as the appropriate course to be generally adopted, the Government of India would be glad to be specially informed as to its actual working, where it is in force, and particularly how far it is successful as a protection to honest debtors, and how far it is evaded or otherwise fails of its object.

8. The third line of action is that which has been embodied in the English Money Lenders Act of 1900, and it was defined by the Parliamentary Select Committee, to which reference has already been made, as follows :—

> "That the courts should have power to go behind any contract with a money-lender, to enquire into all the circumstances of the original loan and of the subsequent transactions and to make such order as may be considered reasonable."

Their remarks regarding it are quoted below :—

> "The second proposal is supported by several legal witnesses, including * * * *

"It also appears * * * that a large number of the Indian judges and high officials in India, who have recently been consulted by the Indian Government on the subject of usury, are in favour of giving discretion to the courts rather than of laying down any hard and fast rule, and the Council of the Incorporated Law Society have made a similar recommendation.

"Mr. Justice Mathew was however, of opinion that such a proposal would lead to a great variety of judgments, and it would be preferable to limit the rate of interest on these transactions to 10 per cent.

"Your Committee have, of course, attached great weight to the opinion of so eminent a judge, but having regard to the results which have followed from the exercise of the equitable jurisdiction of the Chancery Division of the High Court, they do not think that in practice there would be such divergence of opinion as to constitute any serious objection to the adoption of this proposal.

"After carefully considering the whole of the evidence and opinions, your Committee have arrived at the conclusion that the only effective remedy for the evils attendant upon the system of money-lending by professional money-lenders is to give the courts absolute and unfettered discretion in dealing with these transactions.

"They therefore recommend that all transactions, by whatever name they may be called, or whatever their form may be which are, in substance, transactions with persons carrying on the business of a money-lender, in the course of such business, should be open to complete judicial review."

As at present advised, the Government of India are disposed to think that legislation on the lines of the English Act offers the best chances

of success. From any definition of "money-lenders", banks, co-operative credit societies and provident societies, etc., would of course, be excepted, but the essential feature would be that the courts should be authorised in suits for the recovery of money by money-lenders, when, in their opinion, such a course was necessary to reopen the contract between the parties and reduce the amount of interest if it appeared to be extortionate or unconscionable in the circumstances of the case. It is possible that supplementary provisions might be required rendering it obligatory upon all money-lenders to keep written accounts of their transactions and also to give counterfoil receipts for all moneys repaid.

The stock arguments usually advanced against any such plan are, firstly, that it would interfere with private contract; secondly, that it would increase litigation; thirdly, that it would leave too much to the personal opinion of the judge; fourthly, that it would harass and confuse the ordinary operations of trade; fifthly, that it would tend to raise the rate of interest paid by those who do not resort to the courts, and sixthly, that it would be ineffective. On the other hand it is to be remembered that opinions as to the sanctity of contracts have altered appreciably since last century, and instances of statutory restrictions on the freedom to contract are not uncommon. With reference to the second and third objections there is the probability that in a short time the reasonable rates of interest in certain conditions would be defined by rulings and practice, and become well-known to all; moreover, in certain circumstances, where no rate of interest is agreed upon, the courts do at present ascertain and award reasonable interest on money decreed. Undue stress may easily be laid upon the fourth and fifth results apprehended, which do not in themselves seem certain to ensue, and while it is known that attempts to evade any usury law will be made, the question is rather whether a certain amount of good will not be effected, which at least would make it worthwhile, failing any preferable alternative, to attempt this remedy. Doubtless the cases of debts which come into courts are merely a fraction of the total monetary transactions entered upon, but no

creditor is certain that a particular loan may not form the subject of a suit, and the pressure of any legal change might be expected in time to exercise a controlling influence.

9. The Government of India are pledged to no particular method of approaching the problem, and reserve an open mind in respect of any criticisms that may be offered. Their desire is to evolve a practicable scheme by which the courts can be saved from all necessity of helping the usurer and the extortionate to fleece and ruin the simple and the imprudent. It is not possible to devise any scheme to which some objections cannot be taken; but when the evil to be overcome is one of such magnitude, the aim should be directed towards evolving a remedy, the objections taken to which are at any rate less weighty than the abuses which it is sought to combat. The Government of India have further no wish to argue that everything is the fault of the money-lender, and the debtor is always a blameless and injured innocent. This is notoriously not true, but the courts, if vested with a wide equitable discretion can be trusted to discriminate between the honest and unscrupulous, whether they be creditors or debtors. Finally, the Governor-General in Council would only remark that, while he fully recognises the benefits which have resulted from the extension of co-operative credit and the potentialities for good inherent therein, he does not consider that the progress made in this direction affords in itself an adequate remedy of the state of affairs which it is now desired to alter. Co-operative credit is no doubt a most valuable ally in attacking the problem of indebtedness, but if it can be supplemented in other ways, there is little reason to neglect these latter.

10. It would suit the convenience of the Government of India if your reply could reach them not later than the 1st November 1914.

No. 6495.

JUDICIAL DEPARTMENT.

Bombay Castle, 7th Semtember 1914.

RESOLUTION.—Copies of the letter from the Government of India should be forwarded to all District Judges and the Chief Judge of the Court of Small Causes, Bombay, for opinion on the issues raised by the Government of India in paragraph 5 of their letter, on the remedies which have been described in paragraph 6 (*b*) and (*c*) as being usually suggested for the suppression of usury, and on the actual working of the rule of *damdupat*, where it is in force, and particularly how far it is successful as a protection to honest debtors, and how far it is evaded or otherwise fails of its object. The District Judges in Sind should be requested to submit their reports through the Judicial Commissioner of Sind, and those in the Presidency proper and the Chief Judge of the Court of Small Causes, Bombay to submit them through the High Court; and the Honourable the Chief Justice and Judges and the Court of the Judicial Commissioner should be requested, when forwarding the reports, to favour Government with their opinions on the questions raised, the Judicial Commissioner being further requested to submit his reply through the Commissioner in Sind. Copies of the letter should also be forwarded to the Commissioner in Sind and the Commissioners, N. D., C. D., and S. D., and they should be requested to furnish Government with similar reports after consulting Collectors in Sind and in the Northern, Central, and Southern Divisions, respectively, and such non-official gentlemen as they may think fit to address.

2. The Chamber of Commerce, Bombay, the Indian Merchants' Chamber and Bureau, Bombay, and the Bombay Presidency Trades Association, and all non-official members of the Bombay Legislative Council should also be invited to furnish Government with their opinions on the points mentioned in the foregoing paragraph.

3. The officers and non-official gentlemen and bodies whose opinions have been invited should be requested to furnish them to Government not later than the 10th October 1914.

(Sd). A. F. KINDERSLEY,
Under Secretary to Government.

77-79, APOLLO STREET,
Bombay, 8th October 1914.

From

THE SECRETARY,
The Indian Merchants' Chamber and Bureau.

To

A. F. KINDERSLEY ESQ., I.C.S.;
Under Secretary to Governvent,
Judicial Department,
BOMBAY.

SIR,

Under direction of the Committee of this Chamber, I beg in reply to your letter of the 7th September 1914, No. 6498, to send their views regarding the feasibility of preventing the use of Civil Courts as an agency for the realisation of the usurious demands of money lenders.

My Committee appreciate the intentions of the Government in promulgating the different suggestions to remove the evils at present in vogue due to there being no settled legislation regarding the usurious demands of money lenders and also their reserving an open mind in respect of the criticisms that may be offered. At the same time they cannot conceal their doubts regarding the ultimate outcome of any such legislative action, which, they apprehend, will be walked round by the class concerned. The necessity

for putting some restraint on the rate of interest charged by the money lenders has been felt in all the countries by all classes of people, but my Committee fear that in no country has the attempt met with any appreciable success.

Of all three suggestions conveyed in Para 6th of the letter of the Government of India, my Committee beg to approve of the 2nd suggestion which being based on a custom long recognised in this country and specially in force in some parts will probably be welcomed and will at least mean following the line of least resistance. The determination of the legal maximum amount of interest recoverable (commonly known in India as the rule of *Damdupat*) presents the advantage of simplicity while not treading on the dubious ground of fixing a legal maximum rate of interest. At first sight it might perhaps appear that such a fixing of maximum rate would be a short and simple cut to the goal but it has the serious disadvantage of being the most liable to be broken with impunity. The practice is not uncommon on the part of a certain section of money lenders whereby the debtor is paid a particular sum and is made to give a pro-note for a sum five or six times the amount actually received. Such a pernicious practice would be resorted to still more, were a maximum rate of interest to be fixed. Not only that but my Committee fear that there would be the additional disadvantage of the average rate of interest charged by money-lenders rising up to the legal maximum. There are reliable and *bona fide* money lenders whose rate of interest does not transgress reasonable limits. Even these would be induced under the system of a maximum rate of interest, to charge always such a maximum rate.

With regard to the 3rd suggestion about the bestowal of authority on the Courts to go behind a contract, reopen a transaction and reduce the rate of interest to what is thought to be equitable, my Committee regret that they cannot approve of it as it would be conferring powers on Courts which might lead to disturbing the operations of trade and to unneccessary harassing of the litigants. The experience derived from the working of the Deccan Agri-

culturists Relief Act and the recent report of the Deccan Agriculturists Relief Act Commission point to the same conclusion.

In view of all these my Committee are of opinion that the object the Government has at heart will be achieved to a very considerable extent by the adoption of the 2nd suggestion.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary.

APPENDIX F.

Register of Auditors.

(In continuation of pages 17—42 in the Report for 1913-14.)

15th January 1915.

From

THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

THE SECRETARY,
Government of India, Legal Department,
DELHI.

SIR,

With reference to a letter of this Chamber dated the 24th April 1914, on the question of auditors of Joint Stock Companies, the Government of Bombay were pleased to inform us that they did not intend to prepare a register of persons who were members of

exempted Societies practicing in the Presidency as in the event of any member of exempted Society being guilty of misconduct in the practice of his profession, steps would be taken to report his case to the Council of the institution to which he belonged.

My Committee beg to think that this is not sufficient, and that it should be provided in the statute that registers of auditors should include members of exempted Societies also, making them as liable to pains and penalties, in case of misconduct in the practice of their profession, as the certified auditors.

They beg to request the Government to be pleased to accept this suggestion and incorporate it in the Indian Companies' Act, 1913, when the time comes for amending it.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary.

No. 10599-7.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE AND INDUSTRY.

(Companies.)

Simla, the 5th July 1915.

From

S. H. SLATER, Esq., I.C.S.,
Under Secretary to the Government of India.

To

THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
77-79, Apollo Street. BOMBAY.

SIR,

I am directed to refer to the correspondence ending with my letter No. 1221-7, dated the 11th February 1915, on the subject of

the conduct of members of the exempted Accountant Societies, and to say that the Government of India consider that unless and until it is found that action taken by the Councils of these institutions on cases reported to them is unsatisfactory, there appears to be no necessity to amend the Indian Companies' Act, 1913, in the manner proposed.

I have the honour to be,
Sir,
Your most obedient servant,
J. D. ELLIOT,
for Under Secretary to the Government of India.

APPENDIX G.

Decrees in Native States.

SHETH MULJI JETHA'S CLOTH MARKET HALL,
Bombay, 29th October 1914.

No. 23.

To
THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

DEAR SIR,

As desired in your letter dated 25th March 1914, I enclose you herewith Copy of a letter addressed by this Association to the Government of Bombay, Political Department in regard to difficulty of the members in execution of decrees of British Courts in Native States.

Yours Faithfully,
પરશોતમ કાનજી
"*i.e.*," PURSHOTTAM KANJI.
Hon. Joint Secretary.

Bombay, 23rd October 1914.

No. 15.

From

PURSHOTTAM KANJI, Esq.,
Hon. Joint Secretary,
BOMBAY NATIVE PIECEGOODS MERCHANTS' ASSOCIATION.
BOMBAY.

To

THE SECRETARY.
To the Government of Bombay, Political Department,
BOMBAY.

SIR,

We are directed by the Managing Committee of this Association to address you on the subject of the grievances of Merchants suffered in the execution in the Native States of decrees obtained by them in Civil suits filed in British Courts.

In reply to a communication No. 124 dated the 5th February 1914 addressed by our Association to the Government of India in this matter we are referred in their letter No. 280 I. B. dated 24th February 1914 to the notification of that Government in the foreign Department No. 2053 I. B. dated 22nd September 1911 publishing a list of the Native States that have agreed to the execution by the Courts in their territories of decrees passed by Civil Courts in British India and asked to specify the Native States where difficulty is experienced. We are further asked in the same letter to address any further communication to the Government of Bombay.

Under the circumstance, we are directed by our Managing Committee to quote for the information and favourable consideration of the Government of Bombay the following instances in which the Plaintiff merchants, though succeeded in obtaining decrees against the Defendents resident in Native States' have failed to get them executed in those States or at least have been put to much expense and trouble which British Ryots ought not to suffer after having obtained decrees in Courts in British India.

THE FOLLOWING ARE THE INSTANCES.

1. A member of the Association Mr. Mathuradas Mulji filed a suit in the Bombay Court of small causes No. 24650/1912 against three persons resident in Venthali, Sorath District, belonging to Junagadh State, and summons were properly served to them.

During the course of hearing, one of the Defendants was represented by an attorney who applied to the court for adjournment; but the court directed that before doing so the amount claimed should be deposited. This was not done and ultimately decree was obtained by the plaintiff. Now when execution was applied for in the above Native State, the court there heard the case again and the Plaintiff merchant had to travel twice at the expense of Rs. 140/- against Rs. 260/- decree amount. Though the court in the Native State granted the decree putting the plaintiff to so much trouble and expense, the defendants have appealed against that and the result is not still known.

2. Merchants have similar grievances as regards the following Native States.

1. Sirohi. 2. Indore. 3. Bhawnagar. 4. Udaypur.

I have the honour to be,
Sir,
Your most Obedient Servant,
પરશોતમ કાનજી,
PURSHOTTAM KANJI,
Hon. Joint Secretary.

From

THE SECRETARY,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

To

L. ROBERTSON, Esq., I. C. S.,

Secretary to the Government of Bombay,

Political Department,

BOMBAY.

SIR,

As per a letter of the Deputy Secretary to the Government of India, Foreign and Political Department, dated the 13th February 1914 No. 235 I. B., I beg to address you, in continuation of my letter of the 14th January 1914 to the Government of India in which the Committee of this Chamber represented the hardship and inconveniences experienced by Plaintiff merchants in obtaining execution in Native States of decrees passed by British Courts in Civil Suits.

My Committee beg to support the representation of the Bombay Native Piece-goods Merchants' Association on the subject dated the 23rd October 1914, and to specify below names of States where the difficulty alluded to is experienced.

Junagadh, Sirohi, Indore, Bhawnagar and Udaypur.

You will be pleased to communicate this to the Government of India.

I beg to remain,

Sir,

Your most obedint servant,

J. K. MEHTA,

Secretary.

No. 1163.

POLITICAL DEPARTMENT:

Bombay Castle, 26th February 1915.

From

A. F. KINDERSLEY, ESQ.,

Under Secretary to the Government of Bombay.

To

THE SECRETARY,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

SIR,

I am directed to acknowledge the receipt of your letter, dated the 15th January 1915, on the subject of the alleged grievances of merchants in the execution, in certain Native States, of decrees obtained by them in Civil suits filed in British Courts.

2. In reply I am to state that none of the Native States mentioned in your letter have entered into an agreement for reciprocity between their Civil Courts and the Civil Courts of British India in execution of decrees, and that Native States, although encouraged by Government to enter into such agreements, are frequently unwilling to do so. Government therefore regret that it is not possible for any immediate steps to be taken in the matter in the Presidency. I am, however, to observe that the inconvenience experienced by members of the Association will be borne in mind when occasion arises, and it has been brought to the notice of the Honourable the Agents to the Governor General in Rajputana and Central India.

I have the honour to be,

Sir,

Your most obedient servant,

A. F. KINDERSLEY,

Under Secretary to Government.

APPENDIX H.

Amendment of the Presidency Banks Act.

No. 1002-A.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

From

THE HON'BLE MR. J. B. BRUNYATE, C.I.E., I.C.S.,
Secretary to the Government of India.

To,

THE SECRETARY,
Indian Merchants' Chamber and Bureau.

Dated Delhi, the 4th November 1914.

SIR,

The Government of India have at present under their consideration a proposal that the Presidency Banks Act should be amended so as to enable the Presidency Banks to deal in certain securities to be issued by the Government of His Highness the Nizam of Hyderabad.

2. It is the intention of His Highness the Nizam's Government to raise funds from time to time for the purposes of railway development within the Hyderabad State. It has been agreed that the proposals regarding borrowings to be undertaken shall be approved on each occasion by the Government of India and that the payment of interest due on the money borrowed shall be secured by the hypothecation of the unencumbered portion of the annual rental payable by the Government of India to His Highness the Nizam's Government on account of Berar. The amount so available is at present ten lakhs of rupees per annum, while it is anticipated that in eight years' time the whole annual rental of 25 lakhs of rupees will be free to be hypothecated for this prupose.

3. In order to secure the successful floatation of the loans and the subsequent negotiability of the securities, His Highness the Nizam's Government desire that the Presidency Banks may be authorised to transact business in these securities in the manner contemplated in Section 36 of the Presidency Banks Act of 1879. I am directed to request that the Government of India may be favoured with the views of your Chamber on the proposal.

I have the honour to be,
Sir,
Your most obedient servant,
J. B. BRUNYATE,
Secretary to the Government of India.

From
THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To
THE HON'BLE MR. J. B. BRUNYATE, Esq., I.C.S., C.I.E.,
Secretary to the Government of India,
Finance Department,
DELHI.

SIR,

With reference to your letter of the 4th November 1914, No. 1002-A, I am directed by the Committee to inform you that they see no objection to the proposal mentioned in your letter, provided it is made clear that the hypothecation of the unencumbered portion of the annual rental payable by the Government of India to His Highness the Nizam's Government on account of Berar to the payment of interest due on the money borrowed by His Highness the Nizam's Government will continue until the capital so raised under this authority is paid off.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary.

APPENDIX I.

Commercial Codes for Oversea Telegrams.

R. S. R. No. X.—6281 of 1914.

From

R. F. L. WHITTY, Esq., B.A., I.C.S.,
Collector of Customs,
BOMBAY.

THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

BOMBAY CUSTOM HOUSE:
10th November 1914.

SIR,

I have the honour to forward copy of a letter No. 12270—12283-47. dated 1st instant from the Government of India, Department of Commerce and Industry, and of the Press Communique referred to, on the subject of the permission of the use of commercial codes in overseas telegrams between India and the United Kingdom and to request under instructions from Government that you will be so good as to ask the Chamber to favour me with their opinion on the point raised by the Government of India.

I have the honour to be,
Sir,
Your most obedient servant,
R. F. L. WHITTY,
Collector of Customs.

No. 12270—12283-47.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE AND INDUSTRY.

(Companies.)

Simla, the 1st November 1914.

To

The Secretary to the Government of Bombay,
Revenue Department.

SIR,

I am directed to forward, for the information of His Excellency the Governor in Council, a copy of a Press Communique dated the 31st October 1914, issued by this Department on the subject of the permission of the use of commercial codes in overseas telegrams between India and the United Kingdom.

2. It is possible that with the introduction of this arrangement there may be no further demand for the system whereby commercial messages have been transmitted through official agency. On the other hand, the use of authorized codes will be permitted only in cases where either the sender or the addressee is at a station where a censor is posted. It is therefore possible that the new arrangement will not meet all requirements and on other grounds also the commercial community may perhaps desire a continuance of the existing official agency system. The Government of India would be glad if His Excellency the Governor in Council would advise upon this point after consulting the local Chamber of Commerce and others intersted.

I have, etc.,

(Sd.) S. H. SLATER,

Under Secretary to the Government of India.

True copy,

K. R. SALE,

Superintendent.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE AND INDUSTRY.

Simla, the 31st October 1914.

PRESS COMMUNIQUE.

Information has been received from the Secretary of State that with effect from the 1st November 1914, the use of the following commercial codes, *viz.*, A. B. C., 5th edition, Scott's 10th edition, Western Union, and Leiber's, will be permitted in overseas telegrams between India and the United Kingdom. The concession is subject to the following restrictions :—

(1) Every such message must state the name of the authorized code employed. This will be included in Service instructions and will not be charged for as a word; but the message will be charged a registration fee of 8 annas.

(2) Neither private supplements nor the numerical equivalents of the phrases in published codes are ordinarily admissible, but banks which are at present permitted to use one private code group to indicate the amount of a remittance will be allowed to include such word or group in a message which otherwise is in an authorized commercial code.

2. Coded messages for the United Kingdom will be decoded in London or Liverpool, and will be subject to censorship at those places.

3. The arrangement now announced does not supersede the system whereby banks are permitted to use one code group in remittance messages.

4. The use of authorized commercial codes will shortly be permitted under necessary restrictions for inland messages also.

True copy,
K. R. SALE,
Superintendent.

77-79, APOLLO STREET,
Bombay, 17th November 1914.

From

THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

R. F. L. WHITTY, ESQ., I.C.S.,
Collector of Customs,
BOMBAY.

SIR,

In reply to your letter of the 10th Inst. No. 6281 of 1914, I am directed by the Committee to inform you that they welcome the new arrangement permitting the use of certain commercial codes for oyerseas telegrams. They appreciate this further concession to the commercial community, specially under the present military exigencies. They however would like that the recently introduced system for transmitting commercial messages through official agency should continue, as it will, as stated in paragraph 2 of the letter of the Government of India, give certain facilities not to be had in the new system. My Committee beg to suggest that the system of counting ten letters as one word which was recently introduced and which has been discontinued from the 31st October 1914, be revived as it gives many facilities to the commercial public.

My Committee beg to hope in conclusion, with reference to para 4 of the press communique that in view of the new crops being brought on the market the Government will be pleased to allow as soon as possible the use of authorised commercial codes for inland messages also.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary.

APPENDIX J.

Register of Forward Contracts for Shipment.

R. S. R. No. 7171 of 1914.

From

R. F. L. WHITTY, Esq., B.A., I.C.S.,
Collector of Customs,
Bombay.

To

The SECRETARY,
The Indian Merchants' Chamber and Bureau,
Bombay.

Bombay Custom House:
Dated December 17th, 1914.

Sir,

The Government of India have under consideration a suggestion that in cases of commodities, such for instance as raw and manufactured jute, of which the export to neutral countries has been restricted or may in future be restricted, with a view to prevent supplies passing through neutral countries to the enemy, business would be greatly facilitated, if a register were opened at each Custom House of forward contracts for shipment. In the event of a limitation being imposed on the total exports of any such commodity to a neutral country so as to secure that they should not appreciably exceed the usual annual average export of that commodity to that particular country, and, if the total quantity which it was desired to ship at the time should exceed that amount, shipments would have priority according to priority of registration. This procedure would also enable a merchant about to enter into a contract for forward shipment to ascertain whether the proposed shipment would be likely to fall within the average annual export test, whereas, if the

calculation is made on actual shipments, contracts made several months before may fail when the time comes for shipment, on account of the average annual export having by then been considerably exceeded. In fact it is proposed that if a test of average annual export is applied, it should be based on contracts for export as exhibited in the register instead of on actual shipments. The Government of India are inclined to think that a system of this kind would be of no small advantage to merchants who are making forward contracts for exports to neutral countries.

2. It should however be clearly understood by the merchants that the mere fact of adoption of this system should in no way be held to commit Government to allowing exports of any particular commodity to a neutral country up to the full annual average. Nor should registration be held in any way to convey an undertaking that shipment will be allowed. It is not possible to give any guarantee that prohibitions of exports will be based merely on this test; but, in so far as the annual average export is an important indication of genuine trade with neutral countries, the Government of India are of opinion that the calculations for arriving at this average may with greater convenience to the commercial community be based on the amounts shown in these registered contracts rather than in the report of actual shipments.

3. Under instructions from Government, I have the honour to request that you will kindly favour me as early as possible with the views of the Chamber on the proposal.

I have the honour to be,

Sir,

Your most obedient servant,

R. F. L. WHITTY,

Collector of Customs.

12th January 1915.

From

THE SECRETARY,

The Indian Merchants' Chamber and Bureau.

BOMBAY.

To

R. F. L. WHITTY, Esq., B.A., I.C.S.,

Collector of Customs,

BOMBAY.

SIR.

With reference to your letter of the 17th December 1914, No. 7171 of 1914, I beg to submit as follows the opinion of the Committee of this Chamber with regard to the suggestion of opening a register at each Custom House of forward contracts for shipment in cases of commodities, such for instance as raw and manufactured jute, of which the export to neutral countries has been or may in future be restricted.

My Committee may be allowed to state at the outset that they are not in favour of the principle of restriction of exports for the two following principal reasons.

1. The suggested annual average export test is not a safe or reliable test because there is no guarantee that even in normal times the figures do not include supplies (either of raw materials or manufactured products therefrom) for exports from neutral to enemy countries.

2. In the case of certain important raw products notably cotton, importations into enemy countries from producing areas outside the British Empire, are allowed, and therefore the restriction of exports from India to neutral countries, might cause grave inconvenience and losses in India not so much to exporters as to Indian producers whose crops have in some cases almost seriously depreciated in value.

If, however, the Government are of opinion that under the present circumstances restriction to some extent is desirable, the register of forward contracts for shipment is then, in the opinion of the Committee, the best possible recourse to be taken.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary.

APPENDIX K.

Hall Marking of Gold and Silver.

R. S. R. No. 7369 of 1914.

From
R. F. L. WHITTY, Esq., I.C.S.,
Collector of Customs,
BOMBAY.

To
THE SECRETARY,
Indian Merchants' Chamber and Bureau,
BOMBAY.

BOMBAY CUSTOM HOUSE:
Dated 28th December 1914.

SIR,

I have the honour to forward herewith a statement setting forth the views of the Bombay Presidency Trades Association on the question of the possibility of introducing into India a system of Hall marking of gold and silver plate and, under instructions from Government to request that you will favour me with the opinion of the members of the Chamber and Bureau on the proposal.

I have the honour to be,
Sir,
Your most obedient servant,
R. F. L. WHITTY,
Collector of Customs.

Hall marking in India.

It is well-known in the jewellery and silver trades in India that, in a large number of cases, locally made goods in silver and gold are often sold in such a way as really to constitute a fraud on the public.

Thus, gold articles are sold as a higher carat than is really the case, while silver articles are often sold as equal to English standard silver when, in numbers of cases, 53 per cent of alloy is used.

It is very difficult to bring offenders to book, because in most instances purchasers have left the station before they find out that they have been defrauded, and it is a great injustice to honest traders that there cannot be some means of ensuring a fair competition, as it is of course impossible for the honest trade to compete with those whose cost for material is half what they say it is.

A system of Hall-marking in India would not only protect the public, who in this case undoubtedly need it, but it would raise the standard of workmanship, since it would be possible for the best workman to demand a just price for his work.

We do not propose that this should be made compulsory at once, as this would possibly cause a good deal of friction and as at present the demand for this is confined to those in the trade who desire protection to enable them to compete fairly. What we would propose is that at present a small department should be attached to each of the Mints (which are undoubtedly the most suited for this purpose) where persons, who so desired, could have articles marked with the Government stamp certifying that the metal is of the correct composition. The fact that this could be done would soon become widely known, and there is not the slightest doubt that in a very short time nobody would purchase any article of gold or silver made in this country that was not marked in this way. It would then be a very simple matter to make Hall-marking compulsory, as it is in almost every civilized country in the world. An enormous quantity of silver goods is made in this country, and the initial outlay by Government would be a very small item, while there would be a

steady revenue from this source, which would undoubtedly leave a handsome surplus to Government.

We cannot see that there can be any opposition to this proposal because no man who is trading fairly would object to having his fairness certified by Government.

15th January 1915.

From

THE SECRETARY,
The Indian Merchants' Chamber and Bureau.
BOMBAY.

To

R. F. L. WHITTY, Esq., B.A., I.C.S.,
Collector of Customs,
BOMBAY.

SIR,

With reference to your letter of the 28th December 1914, No. 7369 of 1914, I am directed by the Committee of this Chamber to inform you that they approve of the proposal that a small Department should be attached to each of mints, where persons, who so desire, could have articles marked with the Government stamp certifying that the metal is of the correct composition. They, however, are of opinion that the system of Hall-marking should not be made compulsory in this country even in future, as the mints being situated only at Calcutta and Bombay it would be extremely difficult for the public at other places to have Hall-marking for their articles. This is likely to cause a great deal of loss even to traders and artisans who are honestly pursuing their trade. Not only this but it would entail needless inconvenience and expense on the mass of the population who, the Government are aware, are so fond of investing in silver and gold ornaments.

I beg to remain,
Sir,
Your most obedient servant.
J. K. MEHTA,
Secretary.

APPENDIX L.

Customs Duty on Suva Seeds.

MANDVI,

Bombay, 8th December 1914.

To

THE SECRETARY,

The Indian Merchants' Chamber and Bureau,

Apollo Street,

BOMBAY.

DEAR SIR,

I am desired to send you herewith copy of correspondence that passed between this office and the Bombay Customs Department, on the subject of Customs duty levied on Suva Seed brought into Bombay by Land route from Kathiawar States, and to bring to the notice of your Committee that the same article is duty free if brought nto Bombay from Kathiawar Ports by Sea Route.

My Committee do not see why this differentiation is made by Imperial Government and think the same anomalous.

My Committee hope, your Chairman will move the Imperial Government to remove this anomaly.

Yours faithfully,

SHAMJI SHEWJI,

Hon. Secretary.

(Copy.)

No. 3338.

Bombay, 30th March 1914.

To

THE COLLETOR OF SALT REVENUE,

BOMBAY.

SIR,

Consignment of 59 bags Suva Seeds Ex Jamnagar to Carnac Bridge.

Invoice No. 10 of 28th February 1914. R/R No. 619.

We have the honour to inform you that the above consignment was received by us by Rail on behalf of Joramal Shivram upon which Customs duty of Rs. 22-11-0 was levied at Viramgaon which has already been paid.

The seeds imported in Bombay from States by sea route are free and we beg to refer you to the Tariff heading No. 61. We do not understand why the duty is levied.

Probably this duty is levied under a mistake and we request you to refund us the same.

We have the honor to be,

Sir;

Your most obedient servants,

(Sd.) LALJEE THAKERSEE & Co.

(Copy).

C. R. No. 1411 of 1914.

Camp—Castle Rock, 19th April 1914.

MEMORANDUM.

In reply to their application No. 3338 of 30th ultimo, Messrs. Laljee Thakersee & Co., are informed that the duty on Suva seed imported from Kathiawar was rightly levied at Viramgaon and cannot be refunded. Item 61 of Tariff Schedule No. IV exempts oil seeds from payment of duty if imported by sea and not if imported by land.

(Sd.)

Collector of Salt Revenue.

(Copy.)

MANDVI,

Bombay, 8th May 1914.

To

THE COLLECTOR OF CUSTOMS,

BOMBAY.

SIR,

I am desired by my Committee to address you with respect to the recovery of customs duty at Viramgaum on Suva and other seeds brought into British Territories from Kathiawar.

These articles arriving in Bombay from Kathiawar Ports are free and it is a real hardship that they should be taxed because they are sent by rail.

You are aware, Sir, that it is always more dear to send by Rail than by sea, and by the recovery of the tax on seeds brought by Rail route the article likely becomes still dearer.

I am therefore desired to request you to kindly move the proper authorities to make these articles free of duty *via* Viramgaum.

I have the honour to be,

Sir,

Your most obedient servant,

(Sd.) LALSHANKAR HARIPRASAD,

Secretary.

(Copy).

C. R. No. 1937 of 1914.

Bombay, 2nd November 1914.

MEMORANDUM.

Referring to this office C. R. No. 1937 dated the 31st July last the Honorary Secretary, Grain Merchants' Association, is informed under orders from Government that the Association's request that oil seeds imported into British India by land may be exempted from payment of customs duty, cannot be granted.

(Sd.)

Collector of Salt Revenue

13th April 1915.

From

THE SECRETARY,
The Indian Merchants' Chamber & Bureau,
BOMBAY.

To

R. F. L. WHITTY, Esq., I.C.S.,
Collector of Customs,
BOMBAY.

SIR,

Under directions of the Committee of this Chamber, I beg to approach you with the following representation regarding the subject of customs duty levied on Suva and other Oil seeds exported to Bombay from Kathiawar States by land route at Viramgam.

It appears that these seeds are duty free if imported into British India by sea from the territories of any Native Prince or Chief in India. It is then anomalous that there should be duty levied on these when they are sent by land route from the same places. The Committee do not wish to go into the much discussed general question of the levy of customs dues at Viramgam, but venture to think that whatever reason there may be on the part of the Government levying customs dues on goods which are not duty free even when imported by sea route into British India, surely there cannot be any reason for such dues being levied on articles which are duty free when imported by sea route.

It must be within the knowledge of the Government that the seeds trade of Bombay is of very large proportions and a great deal of these are obtained from Kathiawar. The total of oil seeds imported into Bombay from Gujarat and Kathiawar during 1913-14 came up to 2,904,331 maunds. Figures for Kathiawar are not unfortunately given separately but they cannot but be obviously large. The land route is always costlier than the sea route and this levy of dues, even on articles like oil-seeds which are as aforementioned duty free when imported by sea route from Native States,

makes it the more costly. My Committee sincerely hope that taking into consideration all these facts you will be pleased to move the Government to declare oil-seeds from Native States duty free by land route as they are already by sea route.

I beg to remain,
Sir,
Your most obedient Servant,
J. K. MEHTA,
Secretary.

R. S. R. No. 1067 of 1915.

From
R. F. L. WHITTY, Esq., I.C.S.,
Collector of Customs,
BOMBAY.

To,
THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
77-79, Apollo Street,
BOMBAY.

BOMBAY CUSTOMS HOUSE,
18th February 1915.

SIR,

In reply to your letter of the 15th instant, I have the honour to inform you that seeds are dutiable under the Import Tariff; but *oil seeds* imported into British India by sea from the Territories of *any* Native Prince or Chief in India are by special order of the Government of India exempt from the import duty leviable thereon under the India Tariff Act, VIII of 1894, as subsequently amended.

I have the honour to be,
Sir,
Your most obedient servant,
R. F. L. WHITTY,
Collector of Customs.

C. R. No. 1599 of 1915.

Camp Castle-Rock, 19th April 1915.

MEMORANDUM.

With reference to his letter dated the 13th instant to the Collector of Customs, Bombay, requesting that Government may be moved to exempt from customs duty oil seeds coming from Kathiawar into British India by land, the Secretary of the Indian Merchants' Chamber and Bureau is informed that a similar request made by the Bombay Grain Merchants' Association was refused by Government last year, and the Collector therefore does not think that there is sufficient reason for referring the request to Government for orders.

Collector of Salt Revenue.

APPENDIX M.

Wages of Lascars.

No. 189-W.

POLITICAL DEPARTMENT.

Bombay Castle, 8th January 1915.

From

L. ROBERTSON ESQ.,
Secretary to the Government of Bombay.

To

THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

SIR,

By an agreement with the National Sailors' and Firemans' Union and other Unions, the Admiralty have authorised with effect from the 13th August last (the date of the agreement), a flat rise

over the union rates of £ 1/- per mensem in the wages of officers and men of all vessels requisitioned by the Admiralty during the present emergency, and they have asked for the concurrence of the Secretary of State to the extension of the agreement to the vessels requisitioned for the conveyance of the Expeditionary Force from India. I am directed to state that you will state the views of the Chamber on the proposal and, if it is generally acceptable in the case of lascars. A very urgent reply is requested.

I have the honour to be,
Sir,
Your most obedient servant,
L. ROBERTSON.
Secretary to Government.

13th January 1915.

From
THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To
L. ROBERTSON, Esq., I.C.S.,
Secretary to the Government of Bombay.
Political Department,
BOMBAY.

SIR,

In reply to your letter of the 8th inst., No. 189-W., I am directed to state by the Committee of this Chamber that they approve of the proposal for a flat rise over the union rates of £ 1 per mensem in the wages of officers and men of all vessels requisitioned by the admiralty during the present emergency. They beg to suggest that the rate of extra remuneration, which would be suitable in the case of Lascars, should be fixed between Rs. 5 and 6 per month.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary.

APPENDIX N.

Port Trust Election

No. 56.

MARINE DEPARTMENT.

Bombay Castle, 26th/27th January.

From

J. L. RIEU, Esq., I.C.S.
Secretary to Government.

To

THE SECRETARY,
Indian Merchants' Chamber and Bureau,
BOMBAY.

SIR,

I am directed to forward herewith for the information of the Indian Merchants' Chamber and Bureau, a copy of Government Notification No. 55 dated the 20th Januray, 1915, regarding the election of two elective trustees under sub-section (1) of section 6 of the Bombay Port Trust Act, 1879, for the term of office commencing on the 1st April, 1915.

I have the honour to be,
Sir,
Your most obedient servant,
PALANJI N. DAVER,
for Secretary to Government.

MARINE DEPARTMENT.

Bombay Castle, 20th January 1915.

No. 55.—In exercise of the powers conferred by sub-section (1) of section 6 of the Bombay Port Trust Act, 1879 (VI of 1879), the Governor in Council is pleased to direct that the election of two

elective-trustees under the said section for the term of office commencing on the 1st April 1915 shall be made as follows :—

One by the Indian Merchants' Chamber and Bureau, Bombay,

One by the Grain Merchants' Association, Bombay.

By order of His Excellency the Right Honourable the Governor in Council.

J. L. RIEU,
Secretary to Government.

2nd February 1915.

No. P.—350.

To

THE SECRETARY,
Indian Merchants' Chamber and Bureau.

SIR,

With reference to Government Notification, Marine Department, No. 55 dated 20th January 1915, directing under sub-section (1) of Section 6 of the Bombay Port Trust Act, 1879, that your Chamber shall elect a Trustee for the Port of Bombay for the term commencing from the 1st April 1915, I am directed to say that under the provisions of Section 10 of the Act, it will be the duty of your Chamber on some day not earlier than the 1st and later than the 15th of March next, to elect a Trustee accordingly.

2. I am to invite attention to amended Section 6 of the Port Trust Act prescribing the conditions relating to such elections.

I have the honour to be,
Sir,
Your most obedient servant,
H. E. HART,
Secretary.

Bombay, 6th March 1915.

From

THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

J. L. RIEU, ESQ., I.C.S.
Secretary to Government, Marine Department,
BOMBAY.

SIR,

I beg to inform you, with reference to your letter of the 20th/27th January 1915, No. 56, that this Chamber has, in accordance with sub-section (1) of section 6 of the Bombay Port Trust Act, 1879, duly elected the Hon'ble Mr. Manmohandas Ramji as its representative on the Port-Trust Board, of which you will be pleased to take note.

I beg to remain,
SIR,
Your most obedient servant,
J. K. MEHTA,
Secretary.

Bombay, 6th March 1915.

From

THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

THE SECRETARY,
The Bombay Port Trust,
BOMBAY.

SIR,

I beg to inform you, with reference to your letter of the 2nd February 1915, No. P.—350, that this Chamber has, in accordance

with sub-section (1) of section 6 of the Bombay Port Trust Act 1879, duly elected the Hon'ble Mr. Manmohandas Ramji as its representative on the Port Trust Board, of which you will be pleased to take note.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary.

APPENDIX O.

Amendment of the Poisons Act, 1904 (I of 1904).

No. 1802, dated the 18th September 1914.

From

The Secretary to the Government of India,
Home Department (Judicial).

To

The Secretary to the Government of Bombay,
Judicial Department.

I am directed to forward, for the information of His Excellency the Governor in Council, a copy of two letters* from the Government of the United provinces, suggesting—

*No. 3323, dated the 24th September 1910, and enclosure.† No. 1380—VI.—604, 1913. dated the 1st April 1914.†

(i) that legislation should be undertaken for the amendment of the Poisons Act, 1904 (I of 1904), on the lines of section 17 of the Pharmacy Act (31 and 32 Vict., cap. 121), so as to make compulsory the registration of the sales of poisons by some of the classes of persons who are now exempted from that obligation by the provisions of section 10, sub-section 1, of the Indian Act;

† Printed as accompaniments to this Resolution.

(*ii*) the abandonment of the present distinction between the wholesale and retail vend of poisons, or, in the alternative, the inclusion in the rules under the Act of definitions of the terms "wholesale" and "retail"; and

(*iii*) that adhesive stamps on license forms should be substituted for non-judicial impressed stamped paper.

2. As regards the first contention put forward in the United Provinces Government's letter, that unless all chemists and druggists are made to comply with the rules in respect of all poisons sold or used by them no adequate check can be enforced, the Government of India understand that no objection is taken to the existing exemptions in favour of medical and veterinary practitioners—section 10 (*a*)—or tanners or hide-merchants—section 10 (*d*). They are, however, inclined to agree with the argument that, so long as chemists and druggists are exempt, there remains an appreciable opportunity for unregistered purchases, and so long as the rules do not apply to a prescription made up by any chemist, druggist or compounder, it is impossible strictly to check their stock. The exemption of these persons from the provisions of the Act was allowed with the desire of limiting interference as much as possible; but, in view of the experience which has since been gained, it is doubtful whether that policy was not carried too far. The questions upon which it would now be desirable to have more definite information are (*a*) whether any serious practical inconvenience has been felt owing to the defective provisions of the law; (*b*) whether a stricter regulation of sales would arouse much opposition, and (*c*) whether it would be worth while to disregard such objections for the sake of securing greater efficiency in the administration of the law.

3. As regards the second point raised, namely, that unless the rules extend to wholesale vend (at present they only apply to sales up to one ounce), there is no adequate check over the acquisition of poisons and the verification of stocks is seriously impeded, I am

to point out that the reasons which led to the omission of wholesale transactions from the rules were—

(*a*) the difficulty of defining what was a wholesale or retail quantity for different poisons;

(*b*) the desire not to interfere with trade; and

(*c*) the idea that poisoners would not buy in large quantities.

4. The Government of India are disposed to think that it would be useless and almost impossible to define wholesale and retail transactions or to fix a quantitative limit—a proceeding which would require a maximum and minimum limit for every scheduled poison individually. It seems to them, therefore, to be preferable that wholesale and retail sales should be brought under one head, and that every authorised vendor of poisons should be required to maintain the following registers :—

(1) register of sales, giving all the particulars required by the English Pharmacy Act;

(2) stock register of poisons; and

(3) a prescription book (to be maintained only by dispensing chemists and druggists) into which should be copied all prescriptions containing scheduled poisons.

All these registers should be balanced monthly to facilitate inspection by authorised officers.

The Government of India are inclined to think that the adoption of these measures would not interfere in any serious way with sales, while they would safeguard the public and possibly act as a deterrent to crime, and in respect of this aspect of the case also it is open to question whether the policy of the present Act was not needlessly cautious.

5. It is within the knowledge of the local Government that the existing Act was the result of very prolonged discussion, and the debates relative to the Bill will show that it was recognised to be an imperfect beginning in the direction of restriction. It is really a

question, therefore, whether the time has now come to take a further step in advance by removing defects which have practically been always admitted. Obviously the ruling factors in such a matter are the extent of the difficulties which have been experienced, and the degree of interference with trade which will be required if they are to be remedied. On all these points and on any others which may suggest themselves, the Government of India would be glad to learn the views of the Governor in Council after consulting Chambers of Commerce and others interested both in the trade in poisons and in the administration of the Act.

6. The third proposal of the United Provinces Government that adhesive stamps in license forms should be substituted for non-judicial impressed stamped paper does not involve similar considerations, and the present reference need not be complicated by its discussion.

No. 64.

JUDICIAL DEPARTMENT.

Bombay Castle, 6th January 1915.

RESOLUTION.—Copies of the letter from the Government of India, and of its accompaniments, should be forwarded to the High Court, the Commissioner in Sind, the Commissioners of Divisions, the Remembrancer of Legal Affairs, the Inspector-General of Police, all District Magistrates, the Municipal Commissioner for the City of Bombay, the Commissioner of Police, Bombay, the Surgeon-General with the Government of Bombay, the Chamber of Commerce, Bombay, the Chamber of Commerce, Karachi, and the Indian Merchants' Chamber and Bureau, Bombay, with a request that they will favour Government with their opinions chiefly on the points raised in paragraphs 2 to 4 of the letter and on any others which may suggest themselves.

2. The Commissioner of Police and the District Magistrates should be requested to submit their opinions after consulting persons interested in the trade in poisons. The District Magistrates' reports should be submitted through the Commissioner in Sind and the Commissioners of their divisions.

A. F. KINDERSLEY,
Under Secretary to Government.

To

The Registrar, High Court, Appellate Side, Bombay (by letter),
The Commissioner in Sind,
The Commissioner, N. D.,
The Commissioner, C. D.,
The Commissioner, S. D.,
The Remembrancer of Legal Affairs,
The Inspector-General of Police,
The Surgeon-General with the Government of Bombay.
All District Magistrates,
The Municipal Commissioner for the City of Bombay,
The Commissioner of Police, Bombay,
The Secretary, Chamber of Commerce, Bombay,
The Indian Merchants' Chamber and Bureau, Bombay,
The Secretary, Chamber of Commerce, Karachi,
The Revenue Department,
The General Department.

No. of 1915.

Copy forwarded for information and guidance to

Accompaniments to Government Resolution in the Judicial Department, No. 64, dated the 6th January 1915.

No. 3323.

Dated the 24th September 1910.

From

THE HONOURABLE MR. L. STUART,
Secretary to Government, United Provinces,
Judicial Department, (Criminal).

To

The Secretary, the Government of India, Home Department.

In continuation of my letter No. 2205, dated the 14th June 1910, enclosing a note on the working of the Poisons Act in the United Provinces during the year 1909, I am directed to address the Government of India concerning certain defects in the rules framed under sections 2 and 4 of the Act which experience in their working has brought to light.

2. The original draft rules were forwarded with Mr. Fell's letter No. 161, dated the 13th February 1907, and were duly published in the local *Gazette* for objections. Meanwhile, the Government of India considered that certain amendments were necessary in the rules, chiefly in the direction of making it clear that they applied to retail transactions only, and fresh draft rules were accordingly forwarded with Mr. Fell's letter No. 1017, dated the 13th July 1907; these after having been published in the local *Gazette* for criticism were made absolute by notifications dated the 9th September 1907. Subsequently by Home Department notification No. 620, dated the 13th May 1908, the provisions of the Act relating to white arsenic were made applicable to eight other compounds of arsenic and to perchloride of mercury and aconite. Draft rules under section 4 of the Act regulating the sale of those poisons were published in the local *Gazette* on the 14th January 1909. At the same time Commissioners and District Magistrates were asked for their opinions upon those draft rules.

3. The replies which were received contained a number of suggestions and recommendations, not only as regards the desirability of applying the provisions of the Act to the particular poisons in question, but also as regards matters of principle affecting the whole series of rules which have been made under the Act. I am to express great regret for the delay which by an oversight has occurred in considering those opinions, and which has resulted in the draft rules, framed under section 4 for regulating the sale of poisons other than white arsenic, not yet having been made absolute.

4. In view of the fact that many of the criticisms received with regard to those draft rules apply equally to all the rules which have been framed under the Act, the Lieutenant-Governor would desire, before taking any other action in the matter, to offer certain observations for the consideration of the Government of India.

The most important point, with regard to which some reconsideration of the existing rules appears advisable, is the limitation of their applicability to retail vend. In Mr. Fell's letter No. 161, dated the 13th February 1907, it was stated that the Government of India did not consider it necessary that separate rules should be framed for wholesale and retail vend. It was pointed out that the object of the Act was to control the sales, not of poisons as such, but only of those which are employed to an appreciable extent for criminal purposes, and further that, as criminals are not likely to purchase poisons wholesale, it is the petty transaction only which rules framed under the Act should seek to control. A limit of one ounce was accordingly fixed as the maximum which could be sold at one transaction to any one person, and it was made clear that the rules in no way attempted to interfere with wholesale transactions.

5. I am respectfully to suggest, for the consideration of the Government of India, that it is doubtful if the assumption that poison intended for criminal purposes is not likely to be purchased in quantities exceeding one ounce, is justifiable. It has been pointed out—and the Lieutenant-Governor as at present advised is unable to see that the argument is faulty—that under the rules as framed

the sale of poison in even the smallest quantity exceeding one ounce must be regarded as a wholesale transaction, and as such is subject to no rules or restrictions, and that it is not necessary to postulate a high order of intelligence in a criminal to perceive that all that he has to do in order to obtain his poison without difficulty is to purchase, for example, an ounce and a quarter. I am to suggest that if, in the opinion of the Government of India, this consideration possesses weight, the practical advantages, which it has been hoped will follow from the system of restriction now introduced, will be very largely nullified.

6. Apart, however, from the practicability of restricting the application of the rules to retail vend, and even supposing that criminals would not readily evade such restrictions in the manner mentioned above, I am to suggest that the limit of one ounce is by no means certain effectively to prevent the purchase of poison for the purpose of crime. To take an example, the Lieutenant Governor is informed that a fatal dose of aconite is 1/16 of a grain or less, and one ounce avoirdupois would therefore be sufficient to poison over six thousand persons. Fatal doses of perchloride of mercury and of white arsenic are also said to be two or three grains. Thus a professional poisoner would by buying one ounce of aconite only disclose his identity on one occasion and would have a stock that would last him a lifetime and by buying two ounces would not disclose his identity at all. It is impossible to fix a satisfactory minimum or maximum, and the remedy would thus appear to be to permit the sale of no poison except under proper guarantee.

7. A further practical difficulty has been found to arise from rule 16, which requires that, when a license-holder also deals in poisons wholesale, the stock maintained for retail sale shall be kept entirely distinct from any stock maintained for the purpose o wholesale transactions. It has been pointed out by several executive officers that this distinction is very difficult to enforce in practice. As exemplifying the difficulty, I am to enclose an extract from an inspection note recorded by Mr. J. C. Fergusson, Joint Magistrate of Cawnpore.

8. After a full consideration of the abovementioned difficulties Mr. Porter has been led to the conclusion that the only practical method of placing a restriction upon the purchase of poison for a criminal purpose is to abandon the distinction between wholesale and retail vend, and merely, to require that none of the poisons commonly used for the purpose of crime be sold except under certain conditions. Such conditions would be that the vendee is personally known to the vendor, or that the latter is satisfied as to the former's identity, that the purpose for which the poison is required be clearly stated, the name and residence of the vendee be duly recorded and that no poison be sold to a minor, lunatic or to a person who does not possess a fixed residence. Persons wishing to purchase supplies of poison from outside the district in which they reside might be allowed to do so upon the production of a certificate by a magistrate that he is satisfied as to the vendor's identity, and as to the purpose for which the poison is required. These restrictions would not, it is true, prevent the obtaining of poison for unlawful purpose by misrepresentation or by personation. It would be difficult to prevent absolutely by any practicable system of restrictions the obtaining of poison by a criminal sufficiently intelligent to make elaborate preparations. But such a method, which is similar to that in force in England, would, I am to suggest, provided the vendor's registers were properly maintained, render in most cases detection comparatively easy and would therefore act as a strong deterrent.

9. The Lieutenant-Governor has duly considered whether the abandonment of the present distinction between wholesale and retail vend would result in any hampering of the trades which are dependent upon a supply of one or other of the more common poisons. His Honour is unable to see that any such hampering would result. Persons who require poisons for *bona fide* trade purposes are persons with a fixed residence, and who must be personally known to the vendors of the poisons required by them. I am to suggest that it would in no way interfere with or hamper the business of such per-

sons, if they were required to state the purpose for which they required the poison and to sign the register maintained by the license holder.

10. With regard to the rule (No. 15 of the rules framed under section 4) that poisons should not be sold unless mixed, in certain proportions, with soot, indigo, or prussian blue, I am to say that several objections have been received thereto. It has been pointed out that certain poisons, such as the red and yellow sulphides of arsenic, derive their commercial importance from the fact that they are used as pigments, and that to mix them with soot is to render them useless for such purpose. I am to add that the very distinctive colours possessed by those two substances render it very improbable that, so long as their colour is not disguised, they would be used for the purpose of poisoning.

Extract from an inspection note recorded by Mr. J. C. Fergusson, Joint Magistrate of Cawnpore.

"Ganga Charan's wholesale and retail stock are one and the same, a contravention of one of the terms of his retail license. He also enters in the same registers both his wholesale and retail sales, the former quite unnecessarily. He keeps his stock in metal canisters neither painted nor labelled 'Poison,' but merely marked with the name of the contents written on white bits of paper stuck on with gum, some in almirahs (also unlabelled) and some on the shop floor. This means several breaches of his retail license. His extra stock is in a godown behind his tiny shop and also in his house adjoining the shop. What I saw of his house stock was in sacks. He has not, as he ought to have, red labels to attach to packets sold retail, and does not attach such labels, a defect which I ordered him to remove without delay. Finally his brother, and not himself, makes a large number of the sales. Considered as a retail dealer, therefore, he contravenes a number of the conditions of his license.

At the same time it is difficult to see how he can reasonably be required to comply with all of them. To ask him to set aside a part of his stock as retail and lock it in almirahs, etc., while *qua* wholesale dealer he has masses of the same poisons all over the shop, would be merely ridiculous. In the special case of Cawnpore, where Ganga Charan has two shops, in one of which he sells only wholesale, any difficulty can be got over by making him keep his second shop for retail sales only. In general, however, it would seem that if it is considered advisable to let retail dealers sell wholesale also (which is doubtful) it would be best to exempt them from the rule which requires that their poison shall be in closed receptacles of glass, tin or earthenware, which shall be kept in a separate locked almirah or box, also from the necessity of showing amounts received and balance of retail stock. They need only keep register sales. *Any further complications serve no useful purpose and only confuse and harass the men.*"

No. 1380, dated Allahabad the 1st April 1914.

From—The Honourable Mr. S. P. O'Donnell, I.C.S., Secretary to the Government of the United Provinces, Judicial (Criminal) Department.

To—The Secretary to the Government of India, Home Department.

I am directed to refer to the correspondence with Mr. Cotton's letter No. 539— dated the 23rd December 1913, in which it was stated that the Government of India would be willing to consider how any defects in the working of the Poisons Act, 1904 (I of 1904), which are brought to notice, can be remedied and to submit the following points for the consideration and order of the Government of India.

2. Firstly, I am to invite a reference to section 10 (1) of the Act which as it stands excludes from the scope of the Act, or of any license granted or rules made thereunder, medical and veterinary prac-

titioners and chemists and druggists qualified in the United Kingdom, and chemists, druggists and compounders dispensing or compounding in compliance with the prescription of a medical or veterinary practitioner. In other words a medical or veterinary practitioner or a chemist or druggist with English qualifications may sell any quantity of any poison to any person without registering his name, and any chemist, druggist or compounder may use any poison in compounding and dispensing (in accordance with a proper prescription) without keeping a stock book. Therefore all that can be effected under the extsting Act is to make it obligatory on chemists and druggists not holding an English qualification to obtain a license for the *separate sale* of substances with are specified as poisons under sections 2 or 6 of the Act and accordingly only in cases of such separate sales will there be a record of the sale of any poison by any of the persons referred to above. Even this record, it is thought, would be difficult to enforce under the Act as it stands, for a license authorises "possession for sale" and it would not be possible to distinguish the poisons kept for separate sale from those kept for making up prescriptions and conseqiently it will not be easy to check the stock with the registers and detect unregistered separate sales. It follows, therefore, that sub-section 1 of section 10 of the Act renders the Act to a certain extent inoperative. In this connection His Honour would refer to two recent notorious cases, *viz.*, the Garnett-Orme and Clarke-Fulham cases; in neither case was it due to any provision of the Act as it exists, that the poisons used were actually entered in a register by the vendor but merely because the vendors being chemists with English qualifications maintained the practice of English druggists as to registering sales of poisons. His Honour considers that some system of this kind should be made compulsory and I am, therefore, to suggest the propriety of legislation on the lines of section 17 of the English Poisons Act (31 and 32 Victoria, Chapter 121). As most of the most reputable dealers already keep up registers without legal necessity, there can be no objection to making this compulsory by law.

3. Secondly, I am to refer to the subject of the wholesale vend of poisons. The present limitation of the applicability of the rules under the Act to retail vend continues to be one of the main points for criticism, tending as it does to hamper the working of the Act. In Mr. Stuart's letter No. 3323, dated the 24th September 1910, this Government's views on the subject were fully expressed. At that time the Government of India, while recognising that the present rules under sections 2 and 4 of the Act were not entirely satisfactory, did not think it desirable to attempt a general revision of the rules until further experience had been gained of their working. Now that the Government of India are willing to consider a revision of the rules, I am to urge again the abandonment of the present distinction between the wholesale and retail vend of poisons. Cogent reasons against such distinction were put forward in Mr. Stuart's letter above referred to and they are not reiterated here. Sir James Meston, however, fully endorses the opinion expressed therein, and would be glad to see the rules made applicable to the wholesale vend of poisons, whereby persons, buying poisons, whether wholesale or retail, should be required to state the purpose for which they intend to use the poison and to sign the register maintained by the license-holder.

4. If the view put forward in the preceding paragraph is accepted it will be unnecessary to define the expression "wholesale" or to draw any distinction between wholesale and retail vend. If, however, the Government of India are still unable to see their way to extend the rules in the direction proposed, His Honour considers that some definition of the terms "wholesale" and "retail" is absolutely necessary. In accordance with the order conveyed in the Government of India's letter No. 161, dated February 13th, 1907 the existing rules contain no such definition. There is, however, a rule that a vendor shall not sell (*i.e.*, sell by retail) more than one ounce to one person at one time. In the absence of any definition of the term "retail" it is open to a vendor who wishes to sell more than one ounce in contravention of the rule to plead that he is selling wholesale, a plea which it would be difficult to upset. It therefore

appears necessary, if the rules are not extended to wholesale vend, to fix the minimum quantity that may be sold wholesale. One pound would probably be a suitable amount. The result of this provision would be that no persons could at one time buy an amount more than one pound. Any sales not covered by the rules, would therefore be on a genuinely wholesale basis. His Honour would, however, prefer, as stated above, to see the operation of the rules extended to wholesale transactions.

5. Lastly, I am to suggest, for the consideration of the Government of India, that the rules requiring the license to be inscribed on a non-judicial impressed stamped paper may be modified so as to permit of such licenses being inscribed on unstamped printed forms, the fees being collected by adhesive stamps. This is the practice in regard to the grant of licenses under the Indian Arms Act, 1878, and it is more convenient than that required by the rules under the Poisons Act.

22nd February 1915.

From

THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

A. F. KINDERSLEY, Esq., I.C.S.,
Under Secretary to the Government of Bombay,
Judicial Department.
BOMBAY.

SIR,

With reference to the Government resolution dated 6th January 1915 No. 64 asking for the opinion of the Committee of this Chamber regarding the proposed amendment of the Poisons Act 1904, I am directed to send hereby their views as follows:—

2. The Committee feel that owing to the laxity of rules prevailing at present it is not found possible to check exactly the

sale of poison, as the large class of dispensing chemists and druggists is exempted from the operation of the provisions of the Poisons Act 1904.

3. A stricter regulation of sales will arouse some opposition specially from people who are not following the practice of English chemists of registering all their prescriptions.

4. In order however to secure greater efficiency in the administration of the law changes in the present law are necessary even though they might affect some vested interests.

5. My Committee are thus of opinion that there is a necessity for the proposed changes and beg to approve of and suggest the following as the most suitable.

(a) That dispensing chemists and druggists should not be regarded as the exempted class for the purposes of Section 10 Sub-Section 1 of the Poisons Act 1904, but that the registration of sales of Poisons by them must be made compulsory.

(b) That the present distinction between the wholesale and retail vend of poisons should be abandoned.

(That every authorised vendor of Poisons should be required to maintain the following registers:—

(1 Register of sales, giving all the particulars required by the English Pharmacy Act;

(2) Stock register of Poisons; and

(3) a prescription book (to be maintained only by dispensing chemists and druggists) into which should be copied all prescriptions containing scheduled poisons.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary.

APPENDIX P.

Commercial College Advisory Board.

77-79 Apollo Street,
Bombay, 15th February 1915.

From

THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

J. L. RIEU, ESQUIRE, I.C.S.,
Secretary to Government, Educational Department,
BOMBAY.

SIR,

In continuation of my letter of the 26th January 1914, I beg to nform you that the Committee of this Chamber has re-elected Mr. Dinshaw Edulji Waccha to represent this Chamber on the Advisory Board in connection with the College of Commerce, Bombay, for one year.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary.

APPENDIX Q.

Punjab Cement Monopoly.

(Refer to Pp. 155—157 of the Report for 1913-14.)

No. 1819-22.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE AND INDUSTRY.

Delhi, the 15th February 1915.

From

H. A. F. LINDSAY, ESQUIRE, I.C.S.,
Under Secretary to the Government of India.

To

THE SECRETARY,
Indian Merchants' Chamber and Bureau,
BOMBAY.

SIR,

In continuation of my letter No. 3175-22, dated the 29th April 1914, regarding the concession granted by the Punjab Government to the Kashmir Iron Mines and Power Syndicate for the manufacture of cement, I am directed to state, for the information of your Chamber, that certain difficulties have been found in the scheme proposed for the transfer of the concession which have prevented sanction being accorded to the transfer.

I have the honour to be,
Sir,
Your most obedient servant,
H. A. F. LINDSAY,
Under Secretary to the Government of India.

APPENDIX R.

Wheat Conference.

8th March 1915.

From

THE SECRETARY,
The Indian Merchants' Chamber and Bureau.
BOMBAY.

To

THE SECRETARY,
Commerce and Industry Department,
Government of India.
DELHI.

SIR,

The Committee of this Chamber have observed with feelings of thankfulness the efforts of the Government to help trade and industry to tide over the present crisis. These efforts are manifold and my committee need not go into details regarding them. One form in which these efforts are evidenced is the calling of representatives of certain staple trades, such as wheat, cotton etc., in conference for the exchange of views with the members of the Government of India.

My Committee beg to point out that both at the previous conferences regarding wheat and cotton and lately in respect of wheat, no representative of the Indian trading community, from any part of the country, was invited to be present thereat. This is indeed a matter of great regret, as the Committee feel that the interests of the Indian commercial comunity are of as much importance as those of the other communities. In matters of such grave importance where all the subjects of His Majesty are concerned, it is better to avoid any invidious distinction as was unfortunately made in the aforementioned cases. My Committee respectfully pray that in future whenever a Conference of the character just related is to be held a representative of the Indian commercial community will also be

invited so that there may be an interchange of views from all points of interests.

By such an arrangement the Committee think that the Government themselves, who are anxious to elicit the opinion of all classes of the community, will be in a better position to judge, and institute proper measures which may be satisfactory to all the sections of the trading community."

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA.
Secretary,

No. 2781-W.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE AND INDUSTRY.

Delhi, the 15th March 1915.

From

H. A. F. LINDSAY, ESQUIRE, I.C.S.,
Under Secretary to the Government of India.

To

THE SECRETARY,
Indian Merchants' Chamber and Bureau,
BOMBAY.

SIR,

I am directed to acknowledge the receipt of your letter of the 8th March, regarding the representation of the Indian trading community on Conferences similar to the Wheat Conference recently held.

2. In reply I am to say that the object of the Government of India in inviting members of the wheat trade to a Conference, was to obtain their views on the subject of the export trade to Europe, and consequently only such gentlemen were invited as were actually concerned in this trade. The Government of India understand that

no Indian firms are at present engaged in the export of wheat to Europe: but they will be glad to receive the representations of your Chamber in respect of any matter arising out of the prohibitions of wheat export, in which any of its members may be interested.

I have the honour to be,
Sir,
Your most obedient servant,
H. A. F. LINDSAY,
Under Secretary to the Government of India.

APPENDIX S.

Draft Rules under the Indian Ports Act, 1908.

No. 1098-A.

GENERAL DEPARTMENT.

Bombay Castle, 6th February, 1915.

From

J. L. RIEU, ESQUIRE, I.C.S.,
Secretary to Government,

To

The Secretary to the Indian Merchants' Chamber
and Bureau,
BOMBAY.

SIR,

I am directed to forward for the information of the Chamber a copy of Government Notification No. 1099, dated the 6th February, 1915 containing draft rules under the Sanitary Clauses of the Indian Ports Act, 1908, for the prevention of the spread of infectious or contagious diseases by means of ships arriving at and departing from ports in the Presidency (excluding Sind) and Aden and to request that Government may be favoured with any remarks the Chamber may have to offer in respect thereof.

I have the honour to be,
Sir,
Your most obedient servant,
J. L. RIEU,
Secretary to Government.

GENERAL DEPARTMENT.

Bombay Castle, 6th February 1915.

No. 1099.—The following draft of a notification which it is proposed to issue in exercise of the powers conferred by section 6, sub-section (*1*), clause (*p*), of the Indian Ports Act, 1908 (XV of 1908), as amended by the Indian Ports (Amendment) Act, 1911 IV of 1910, is published for the information of all persons likely to be affected thereby and notice is hereby given that the draft will be taken into consideration by the Governor in Council on or after the 1st April 1915.

2. Any objection or suggestions which may be received by the Secretary to Government in the General Department from any person with respect to the draft notification before the date fixed as aforesaid will be considered by the Governor in Council.

Draft Notification.

In exercise of the powers conferred by section 6, sub-section (1), clause (*p*), of the Indian Ports Act, 1908 (XV of 1908), as amended by the Indian Ports (*Amendment*) Act 1911, *IV of 1911*, and in supersession of so much of all existing rules on the subject as relate to dangerous, infectious or contagious diseases and the disposal of dead bodies on vessels, the Governor in Council is pleased to make the following regulations in respect of the following diseases: (*1*) *Small-pox*, (*2*) *Chicken-pox*, (*3*) *Measles*, (*4*) *Plague*, (*5*) *Cholera*, (*6*) *Yellow Fever*, (*7*) *Sleeping Sickness*, (8) Typhus, (9) Scarlet Fever *and* (*10*) *Jigger*, occurring on vessels coming to or leaving ports in the Bombay Presidency (excluding Sind) and Aden or for the time being in port therein, and in respect of any death on a vessel not carrying a *medical officer* coming to or leaving any port within the said area or for the time being in any part therein.

PART I.—DEFINITIONS.

1. In these regulations—

(1) "Health Officer" means any person appointed by Government, either by name or by virtue of his office,

to be Health Officer of a port and includes an additional or Assistant Port Health Officer and any officer appointed by Government, either by name or by virtue of his office, to perform any of the duties of a Health Officer of a port;

(2) (*a*) Except as provided in clause 1 (3) "healthy vessel" means a vessel which, even though coming from an infected port, has not had on board any death from unknown or suspicious cause, or any person suffering, or suspected to be suffering from any of the diseases enumerated in the preamble or any unusual mortality amongst rats either *at the time of* departure, or during the voyage from the last port of call, or on arrival;

(*b*) "infected vessel" means a vessel which has on board one or more cases of any of the diseases enumerated in the preamble, or on board of which a case *or suspected case* of any of those diseases has occurred either at the time of departure or during the voyage from the last port of call or in the event of such voyage exceeding 12 days, *within* the twelve days or (in the case of plague seven days) immediately preceding her arrival at a port in British India or on which rats have died from plague during the voyage from the last port of call;

(*c*) "suspected vessel" means a vessel on board of which there has been a case or suspected case of any of the diseases enumerated in the preamble or a death from unknown or suspicious cause at the time of departure or during the voyage from the last port of call, but on board of which no fresh case or suspected case of such disease has occurred *within* the twelve days or (in the case of plague seven days) immediately preceding her arrival, or on which unusual mortality among rats *not definitely known to be* due to *plague* has been observed.

(3) (*a*) Every vessel which has come from the east coast of Africa within the limits of Port Sudan and Durban or from any other locality declared to be infected with sleeping sickness or jigger is a "suspected vessel" for the purposes of these regulations, unless during the voyage there has been one or more cases or suspected cases of either of these diseases on board when it will be considered an "infected vessel;"

(*b*) Every vessel which has within a period of two months immediately preceding her arrival started from, or touched *en route*, a port infected with yellow fever or communicated (except orally without contact or by signal) with a vessel either infected or which has left an infected port within that period is a "suspected vessel" for the purposes of these regulations, unless within the same period there has been on board a case or suspected case of yellow fever when it will be considered an "infected vessel;"

(4) the term "infected", when used with reference to any articles, means articles which Government may, by notification, declare to be infected with any of the diseases in question;

(5) the term "infected port" means any port which Government may, by notification, declare to be infected;

(6) "master", when used with reference to a vessel, means any person (except a pilot or harbour master) having for the time being charge or control of the vessel;

(7) "Port Officer" includes any person acting under the authority of Government in charge of port discipline.

(8) "Medical Officer" (of a vessel) means any person holding medical charge of a vessel who is in possession of a certificate or diploma in medicine and surgery of a recognised University or medical school and registered in the country in which he obtained it.

PART II.—VESSELS ARRIVING AT PORTS IN THE BOMBAY PRESIDENCY (EXCLUDING SIND) AND ADEN.

2. The master of every *suspected or infected* vessel arriving at any port subject to these rules shall hoist a signal which shall be

by day the Code Flag over Flag I. of the Commercial Code, which is a square flag of yellow and black borne quarterly, and

by night three lights, at a height of not less than 20 feet above the hull of the ship, which shall be arranged at a distance of not less than six feet apart in the form of an equilateral triangle, and of which the light at the apex of triangle shall be white and the lights at the ends of the base shall be red.

and shall report every such case or death that may have occurred from any of the causes enumerated above, or in the case of a vessel not carrying a *medical officer* any death from any cause, to the pilot or other boarding officer at the earliest opportunity, and shall also comply, on arrival at such place as may be appointed in this behalf by Government, with such regulations as may be made by Government in regard to

(*i*) signalling the name of the port from which the vessel has come,

(*ii*) stopping at a particular place,

(*iii*) refraining from communication with the shore, and

(*iv*) taking measures for giving effect to the present regulations.

3. If the vessel be at anchor within port limits when such disease breaks out or such death occurs, the master shall hoist the signals specified in Regulation 2.

4. The pilot or other boarding officer shall promptly report the circumstances of the case to the Port Officer, who shall immediately forward any report so made or give notice of any signal hoisted to the Port Health Officer.

5. (1) When any *healthy* vessel is within sight of a port in British India, the master shall intimate the fact by signal.

(2) Such intimation shall ordinarily be accepted by the Port Officer; and if so accepted, the Health Officer need not visit the vessel, which may be considered to have pratique.

PART III.—BERTHING OF VESSELS.

6. (*a*) If the number of deaths from or cases of the diseases enumerated in the preamble, with the exception of plague and yellow fever, does not exceed two, the vessel will not be prohibited from taking up the usual place of anchorage in the harbour or port, except that she may not enter the docks without the written permission of the Health Officer, and the passengers and crew not suspected of having any of the diseases in question need not, except in the case of pilgrim and emigrant ships *and those not carrying a medical officer*, be detained on board pending the inspection of the Health Officer. The master of the vessel shall be responsible that no one of the passengers or crew, except those referred to above, is allowed to leave the vessel before inspection by the Health Officer, and shall prevent the landing of infected bedding, clothes, or other personal effects which he has reasonable cause to consider likely to be infected.

(*b*) If the number of cases or deaths within the previous twelve days has exceeded two, or when from their occurrence on pilgrim or emigrant ships or for other special reasons further precautions may be deemed advisable, the pilot, or in his absence the master, shall keep hoisted by day or night as the case may be, the signals prescribed by regulation 2, and shall anchor the vessel in the place appointed for the purpose and not allow any of the passengers or crew to leave the vessel except with the permission of, or under such instructions as may be issued by, the Health Officer.

7. If a case of yellow fever or of plague or unusual mortality among rats has occurred on board, the vessel shall not take up the usual place of anchorage pending the visit of the Health Officer; in

the meanwhile the vessel shall stop at such place as Government may by order provide.

8. So long as the signals prescribed by regulation 2 are shown, no *tindal* or other person in charge of or navigating any boat shall, without the permission of the Health Officer, attempt to take it alongside such vessel.

PART IV.—INSPECTION OF VESSELS.

9. Whenever the Health Officer receives the notice referred to in regulation 4, he shall without unnecessary delay proceed on board and examine the vessel, and the master shall give him every facility for the examination of the passengers, crew, personal effects, cargo and any part of the ship the Health Officer thinks necessary. The Health Officer may require a declaration on oath from the medical officer (if any) of the vessel or from the master or from both, whether any death or sickness from an unknown or suspicious cause or any case of the diseases enumerated in the preamble has occurred on board the vessel either during the voyage or before her departure, and with reference to plague, whether any unusual mortality has been observed among rats. If the Health Officer is satisfied that such deaths as may have occurred were not due to any of the causes enumerated in the preamble, he shall permit the vessel to proceed to the usual place of anchorage and to discharge passengers and cargo without any further restrictions. If he is not so satisfied, he shall proceed as provided in these regulations. The inspection by the Health Officer will ordinarily take place between sunrise and sunset.

10. As a result of every inspection the Health Officer shall classify the vessel as infected, suspected or healthy, *in accordance with the definitions given in Part I.*

11. On the completion of the inspection prescribed by regulation 9, such of the passengers and crew as *have been detained under regulation 6 (a) but who* are found to be free from any of the diseases in question and unlikely to carry infection shall be allowed

to land. All baggage, personal effects and cargo, except such articles as the Health Officer is entitled to disinfect, may also be landed.

12. If a case of any of the diseases enumerated in the preamble occurs on any vessel after she has entered dock or has been moored at a wharf, the master shall forthwith cause information thereof to be given to the dock master or superintendent of the wharf, who shall communicate the information to the Health Officer (through the Port Officer) and to the Superintendent of Police, and shall be responsible that the sick person shall be isolated as much as possible, and that free communication with the wharf is stopped until the Health Officer has inspected the vessel.

PART V.—REMOVAL OF THE SICK.

13. When on inspection the Health Officer considers it necessary in order to prevent the spread of disease, he shall take the measures indicated in Part VI of these regulations as the case may be.

14. Unless a vessel shall have had communication with the shore under the proviso to regulation 43, and *except as provided for under regulation 19* (2) and 33 the removal of *sick* passengers is not to be enforced in the case of persons bound for an onward port, unless under the clearest necessity of which the Health Officer shall be the judge, and in every such case a special report examining the reasons for the action taken must be submitted by the Health Officer to Government.

15. The Health Officer shall inform the Municipal Health Officer in all cases in which he arranges for the conveyance of a patient to a sanitarium or hospital or other place within municipal limits, and shall furnish the Municipal Health Officer with the address of any private residence to which he permits the removal of a patient.

16. Where small-pox is the disease on account of which the vessel is deemed to be infected, the Health Officer shall offer, without charge, vaccination or revaccination to all persons willing to be operated upon, and shall cause to be vaccinated, if their

guardians or those in charge of them consent, all children below 10 years and over 6 months of age who do not bear marks of vaccination or of small-pox. In the case of plague inoculation may similarly be offered free of charge to all willing to be inoculated.

PART VI.—MEASURES TO BE TAKEN IN THE CASE OF HEALTHY, INFECTED, AND SUSPECTED VESSELS.

17. Vessels classed by the Health Officer after inspection as healthy, shall be given free pratique, save as otherwise provided in rule 23. Other vessels will be dealt with in accordance with rules contained in Parts VI (A), VI (B), VI (C), VI (D), or VI (E) according to the disease on account of which they are declared suspected or infected.

PART VI-A.—SMALL-POX, CHICKEN-POX, MEASLES, CHOLERA, TYPHUS AND SCARLET FEVER.

18. In the event of a vessel being classed either as infected or suspected on account of any of the abovementioned diseases, the Health Officer

(1) shall arrange for the conveyance of any person suffering or suspected to be suffering from such disease to a sanitarium or hospital, unless the sick person or his friends can make adequate provision elsewhere of which the Health Officer must satisfy himself; but he shall not enforce the removal from the vessel of any person or persons bound for an onward port except as provided for in regulation 14;

(2) shall either himself undertake, or direct the master of the vessel to undertake, the destruction or disinfection of all clothing, bedding and other articles that he may consider infected;

(3) may when a vessel with one or more of the abovementioned diseases on board has in his opinion passengers or crew in a filthy and unwholesome condition, cause the clothing and personal effects of such persons to be disinfected before allowing them to leave the vessel;

(4) may, in the case of undecked craft, direct the disinfection, or in special cases the destruction of food-stuffs which have been exposed to contamination and are considered likely to be infected;

(5) may order that any portion of the vessel that has actually been exposed to contamination or is in a filthy or insanitary condition, or which he considers likely to be infected, should be disinfected and cleansed as he may direct and may prohibit the discharge of bilge-water or water ballast within port limits without previous disinfection;

(6) may, in the case of cholera, direct the master to have the bilges and water tanks emptied, cleaned and disinfected.

PART VI-B.—PLAGUE.

19. In the case of infected vessels the following measures shall be taken:—

(1) All persons on board shall be medically examined as prescribed in regulation 9.

(2) All persons suffering from plague shall immediately be disembarked under the directions of the Health Officer and isolated in the camp or hospital, whether ashore or afloat, appointed by Government for the purpose.

(3) At the discretion of the Health Officer other persons may also be disembarked and be subject to observation * or surveillance * or observation followed by surveillance during a period which shall not exceed five days.

(4) Such soiled linen, wearing apparel and articles belonging to the crew and passengers as are, in the opinion of the Health Officer, infected, shall be disinfected.

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* "Observation" means isolation either on board the ship or in a sanitary station appointed for the purpose before the grant of pratique. Passengers under "surveillance" are not isolated; they receive pratique at once and are at liberty to proceed to their destinations, but the authorities of those places are informed of their coming and they are subjected to medical examination for such period as may be fixed in these regulations.

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(5) All parts of the vessel which have been occupied or frequented by plague patients shall be disinfected; and any other parts of the vessel that, in the opinion of the Health Officer, are infected, shall be disinfected.

(6) The rats on board shall be destroyed, either before or after discharge of the cargo, in either case as quickly as possible, and in such manner as to avoid as far as possible damage to merchandise and to the ship's plating and engines. In the case of ships in ballast this process must be carried out as soon as possible, before embarking cargo.

(7) Passengers arriving by an infected ship and subjected to the provisions of clauses (2), (3) and (4) about are entitled to obtain from the Health Officer a certificate showing the date of their arrival and the measures taken as regards themselves and their baggage.

20. When the measures prescribed in regulation *19* have been duly taken in respect of any vessel the Health Officer shall, by written order, grant pratique, provided, that, if a case of plague or of illness suspected to be plague occurs on board subsequent to the grant of the above certificate, the certificate shall become invalid and the vessel again become subject to the requirements of the regulations regarding infected vessels.

21. In the case of suspected vessels the following measures shall be taken :—

(1) All persons on board shall be medically examined as prescribed in regulation 9.

(2) The destruction of rats may be ordered at the discretion of the Health Officer, and if ordered shall be carried out in the terms of regulation 19 (6).

(3) All soiled linen, wearing apparel and personal effects of the crew and passengers which are or are suspected to be infected, shall be disinfected.

(4) All parts of the vessel which have been occupied or frequented by plague patients shall be disinfected; and any other parts of the vessels that, in the opinion of the Health Officer, are infected, shall be disinfected.

22. When the measures prescribed in regulation 21 have been taken in respect of any vessel, the Health Officer shall, by written order, grant pratique.

23. In the case of healthy vessels pratique shall ordinarily be given at once as provided for in regulation 17, but the Health Officer may, in his discretion, if special circumstances appear to him to require it, impose any or all of the following measures:—

(1) medical examination as prescribed in regulation 9;

(2) disinfection of soiled linen, etc., as prescribed in regulation 19 (4);

(3) destruction of rats as prescribed in regulation 19 (6); but the process of deratisation must not occupy more than 24 hours.

24. In exercise of the functions imposed upon him by regulations 9, 19 and 21, the Health Officer shall—

(*a*) attach due importance to the presence on board the vessel of a medical officer and to the provision of apparatus for disinfection by means of saturated steam and for the destruction of rats, and

(*b*) shall take into account the sanitary or insanitary, and roomy or crowded condition of the vessels.

25. If in the case of any vessel making a passing call, the communication with the shore is restricted to the landing of passengers, mails or goods, the Health Officer may, in his discretion, enforce the provisions of regulation 19, 21, or 23, as the case may be, to such extent only as may in his opinion be necessary for the purpose of controlling the actual communication with the shore.

Provided (*a*) that any persons on board the vessel whom the Health Officer has reason to believe to be suffering from plague shall be landed and kept under observation.

Provided also (*b*) that ships from an infected place that have been disinfected and have undergone adequate sanitary measures, shall not, on their arrival in another port, be subjected to these measures a second time if no case has occurred since the disinfection was performed and if they have not called at an infected port. A ship which has merely disembarked passengers and their baggage or mails, without having been in communication with the shore, shall not be regarded as having called at the port.

26. The Health Officer shall whenever requested furnish the master, the ship-owner or the ship-owner's agent with a certificate stating that measures of rat destruction have been carried out and giving the reasons why they were resorted to.

27. The foregoing regulations shall not prevent the transhipment, under restrictions to be imposed by the Health Officer in conformity therewith, of passengers, mails, or goods between vessels which have not been granted pratique.

28. If any case of plague occurs among any group of persons who are being kept under observation, the patient shall be isolated or sent to a hospital, and the other persons shall continue to be detained and segregated as aforesaid for a period not exceeding five days from the date on which the group became free from plague. The clothes and effects of the patient and of such persons as have been in contact with the patient shall be disinfected at the discretion of the medical officer in charge.

29. The medical officer in charge of any place appointed for the isolation of any persons under these regulations may, in his discretion, by written order, direct that any person who is kept there under observation shall be allowed to depart and shall be subject to surveillance.

30. If the system of surveillance to which any person is subjected on shore requires his daily attendance before a medical officer the Health Officer may, by written order, exempt such person from such attendance on being satisfied that he may be relied upon to send in a prompt report if he should fall sick.

31. Persons subjected to surveillance shall submit to, and comply with, all directions as to medical supervision or otherwise, which may be given by written order of a medical officer appointed by Government in this behalf.

PART VI-C.—YELLOW FEVER.

32. In the case of vessels which have, within a period of two months immediately preceding their arrival, started from or touched *en route* at a port infected with yellow fever or communicated (except orally without contact or by signal) with a vessel either infected or which has left an infected port within that period, the following procedure shall be observed:—

(1) The vessel shall be anchored at sea at such special anchorage as may be fixed for this purpose by the local Government but in no case less than half a mile from the land at low water. The visit of the Health Officer shall be made during the day as early as possible and all persons on board shall be medically examined as prescribed in regulation 9.

(2) Any person suffering from yellow fever, if in the first four days of the disease, or if there is any doubt about the duration of the disease, shall be protected from the approach of mosquitoes by means of curtains, and shall be treated on board for at least four days. Any person suffering from fever shall similarly be isolated, be protected from the approach of mosquitoes by curtains and treated on board for at least four days. All passengers in perfect health (with normal temperature, etc.) may be landed, and shall be kept under close observation for a period of at least eight days extensible at the discretion of the Health Officer to a maximum of twelve days, special precautions being taken throughout the whole of this period to prevent mosquitoes having access to them.

(3) In no case should any person sick of yellow fever be landed during the first four days of his illness without the special sanction of Government. If such sanction is given, the most minute precautions to prevent mosquitoes reaching the patient shall be taken including a mosquito-proof cabin on the launch, mosquito-proof ambulances and a mosquito-proof ward in an isolation hospital.

(4) The crew of the vessel should be required to sleep in airy places perferably on deck, and should be protected by mosquito curtains.

(5) The ship shall be cleared of mosquitoes by the systematic fumigation*, under efficient supervision, of every cabin, store-room, alley-way and hold.

(6) All water in which mosquitoes could breed should be emptied into the sea and all drains flushed by means of a hose. The bilge should be pumped out or oiled. The drinking water tanks should be emptied to get rid of larvæ, fresh water being taken and the tanks completely filled so as to drown any adult mosquitoes which may be present in them.

(7) Provided if no case of yellow fever has occurred on board within two months immediately preceding the vessel's arrival, only such of the above measures in addition to those described in paragraphs (1), (5) and (6) shall be carried out as are considered by the Health Officer necessary in the circumstance of the case.

(8) No ship shall leave the anchorage for the purpose of taking up her berth until the measures described in paragraphs (5) and (6) have been carried out.

* Sulphurous acid is probably the best gas to use.

PART VI-D.—SLEEPING SICKNESS.

33. In the case of a vessel having on board a person suffering, or suspected to be suffering, from sleeping sickness, the person or persons shall not be permitted to land without the specific written permission of the Health Officer, *who* may, pending the receipt of written instructions from Government, permit the landing of such persons only if arrangements can be made for their strict isolation on shore. In the case of Aden the Health Officer may prevent the embarkation of, or subject to the arrangements above referred to, may disembark any person proceeding to India who is suffering or suspected to be suffering from sleeping sickness.

34. In the case of a vessel arriving from the East Coast of Africa within the limits of Port Sudan and Durban or from other localities declared to be infected, the procedure prescribed by regulation 2 shall be complied with and the crew or passengers, etc. shall be medically inspected in accordance with regulation 9.

PART VI-E.—JIGGER.

35. In the case of a vessel having on board any person or persons suffering from jigger—

(1) the Health Officer shall carefully examine every person on board and any person or persons found to be suffering shall be removed to hospital for treatment;

(2) the clothes of infected persons shall be disinfected, and the Health Officer may, in his discretion, order the disinfection of the clothes, bedding, etc., of all persons on board;

(3) any part of the vessel likely to harbour jigger fleas shall be throughly washed with a watery solution of kerosine oil emulsion or in a recognized solution of tar acid which is accepted by the Port Health Officer;

(4) the ballast of such vessel, if of earth or sand, shall not be landed without the permission, in writing, of the

Health Officer, who, if he considers it necessary, may order that it shall be discharged into the $\frac{\text{sea}}{\text{river}}$ at such places as shall be appointed for the purpose by Government.

PART VII.—GENERAL.

Vessels.

36. The master of any vessel coming under these regulations shall comply with all directions which the Health Officer may consider necessary under the foregoing rules.

37. The master of any vessel who may object to submit to the foregoing regulations may put out to sea again, provided that objection has been taken before there has been any communication, except by signal or through the port authorities, between such vessel and the shore or with any other vessel in port. Goods may be landed from such vessels after precautions have been taken to isolate the ship, crew and passengers and on condition that such information as the Health Officer may require regarding the mortality among rats is duly supplied: Passengers may be disembarked at their own request on condition that they submit to all the measures prescribed by the local authorities.

38. In the event of any vessel putting back to sea the Health Officer shall intimate the fact by telegraph to the next port of call if in British India.

PERSONS.

39. All persons removed to hospital or kept under observations at any place shall obey and conform to the rules, regulations and orders for the time being in force at such hospital or place and shall be liable to pay all such charges as for the time being may, under the sanction of Government, be made against them.

40. When a suspected case of any infectious disease is removed from vessel at any port, the Health Officer shall report the confirmation or otherwise of the diagnosis, by telegraph, to the Health

Officer of the next port of call if that port is in British India, Ceylon or the Straits Settlements. In other cases a note shall be made on the bill of health stating the nature of the suspected infectious disease and the precautions taken in connection herewith.

DEAD BODIES.

41. Disposal shall be as follows :—

(1) If death occurs on board a vessel before entering port limits, the body shall, unless there are special reasons to the contrary, be buried at sea in not less than nine fathoms of water, in such manner as shall secure its immediate sinking and remaining below the surface.

(2) If death occurs during the day on board a vessel within the port limits, the ensign and house flag, if there is one, are immediately to be lowered half-mast and kept in such position from sunrise till sunset as long as the body remains on board. If death occurs between sunset and sunrise, one red light is to be hoisted at the peak, half-mast high.

(3) The master of the vessel shall cause the death of a person on board to be intimated forthwith to the police, either by letter or otherwise, and shall forward to the Port Officer a written report as soon as possible after the occurrence, in which all the circumstances attending the death must be fully detailed.

(4) No dead body shall be removed from a vessel within port limits without the permission of the police, which shall not be given until the Health Officer has certified *either*—

(a) that the death is not due to infectious disease, or—

(b) that in the case of infectious disease, the Port authorities have given permission for burial on shore.

The Port authorities in consultation with the Health Officer decide that burial on shore cannot be permitted, the body must be buried at sea in such manner as the Health Officer may direct.

DISINFECTION.

42. All disinfection prescribed by these regulations shall be carried out, unless otherwise specifically provided for, in the manner prescribed in the Appendix thereto.

PART VIII.—VESSELS LEAVING PORTS IN THE BOMBAY PRESIDENCY (EXCLUDING SIND) AND ADEN FOR PORTS BEYOND INDIA.

43. No vessel shall leave any port *which has been declared to be infected with any contagious or infectious disease* for any port beyond India until—

(1) all persons sailing by the vessel, whether as passengers or as members of the crew, have been medically examined by the Health Officer.

(2) in the case of plague—

(*a*) all persons sailing by the vessel either as passengers or as members of the crew (except such onward bound passengers as have not remained one night on shore and such members of the crew as *have not* remained one night on shore *or* have not newly joined who may be examined on board), have been medically examined by the Health Officer on shore by day as shortly as possible before embarkation;

(*b*) all merchandise or articles of any sort which the Health Officer may consider to be infected with plague have been disinfected on shore previous to embarkation;

(*c*) all clothing, bedding, and infected articles belonging to Asiatic and African members of the crew, not being officers, engineers or doctors, to deck and

fourth class passengers, and to third class passengers not entitled to cabin accommodation, which the Health Officer may consider to be infected with plague. and, if the Health Officer thinks fit so direct, all clothing, bedding and infected articles belonging to passengers of any class higher than the third and of any members of the crew, have been disinfected on shore by day as shortly as possible before being placed on board ;

(3) the Health Officer has given to the master of the vessel a bill of health stating that the medical examination and disinfection prescribed by this regulation have been carried out.

(4) In the case of any disease other than plague the Health Officer may, in his discretion, enforce the provisions of clauses 2 (*b*) and 2 (*c*) above.

Provided that, if the vessel is only making a call at the port in question, the medical examination and disinfection prescribed by this regulation shall be made only in the case of persons joining the vessel there and articles belonging to them, unless there is communication between the vessel and the shore. The Health Officer shall decide, for the purpose of this proviso, what constitutes communication between the vessel and the shore. The bill of health in such case need only take the form of an endorsement on the last bill of health held by the vessel and need only refer to the passengers and crew embarking at the port in question.

44. It shall be open to the consular representative interested in any vessel to be present, if he so desires, at the medical examination and disinfection prescribed by regulation *43*.

45. If any vessel does not leave port *within 24 hours after* the medical examination made under regulation *43*, she shall not leave until—

(*a*) a fresh medical examination of the passengers and crew has been made under that regulation, and

(*b*) a fresh bill of health has been given to the master under that regulation.

Provided that such fresh examination may be conducted on board the vessel, whether or not there has been communication with the shore since the previous examination was made, and provided that if the time of departure be after sunrise on the day after that of inspection, the master of the vessel shall send the bill of health to the Health Officer to have the date of departure amended.

46. If, after a bill of health has been given to the master of any vessel and before the vessel leaves the port, any cargo or goods of any kind be placed on or taken off the vessel *except in such manner as may be directed by the Health Officer,* the vessel shall not leave the port until—

(*a*) such further medical examination and disinfection as the Health Officer may consider necessary, have been made under regulation *43*, and

(*b*) a fresh bill of health has been given to the master under that regulation.

Provided that such further examination and disinfection may be conducted on board the vessel.

47. (1) After a bill of health has been given to the master of any vessel no person except the pilot *or person authorised by the Health Officer*, shall be permitted to embark on the vessel unless he has been medically examined by the Health Officer as prescribed in regulation *43*.

(2) If any such person is permitted to embark, the Health Officer shall amend the bill of health accordingly.

48. Port-clearance shall not be granted for any vessel, unless and until the master produces the bill of health prescribed by the foregoing regulations.

Provided that, at any port where, in the opinion of Government, local conditions render this relaxation advisable, the authority responsible for granting port-clearance may grant port-clearance for

any vessel on receiving from the agents of the vessel a written guarantee that a duplicate of such bill of health signed by the Health Officer, will be furnished by them to him within forty-eight hours.

49. (1) If the Health Officer considers that any passenger is suffering from, or is in the incubation stage of, any infectious or contagious disease, he shall prevent such passenger and his or her relatives and attendants from embarking or sailing; and their baggage and personal effects shall not be allowed on board the vessel, and if already placed on board, shall be removed as early as possible.

(2) For the purposes of this regulation, the term "relatives" shall mean such persons as have been living with, or have been, in the opinion of the Health Officer, in dangerous communication with the suspected passengers.

50. (1) If the Health Officer considers that any member of the crew of the vessel is suffering from, or is suspected to be in the incubation stage of, any infectious or contagious disease—

(*a*) he shall prevent such member from re-embarking on such vessel and shall refuse to give a bill of health until the baggage and personal effects of such member have been removed from the vessel and such parts of the vessel as have been occupied or frequented by such member have been disinfected; and

(*b*) the baggage and personal effects of such persons as were in immediate contact with such member of the crew shall be disinfected, and the names of such persons shall be given to the medical officer or master of the vessel for supervision on the voyage.

(2) All action taken under clause (1) of this regulation for the disinfection of a vessel shall be noted in the bill of health.

51. Any person who is prevented by the Health Officer under the foregoing regulations from embarking or sailing, may be re-

moved to and kept at a hospital or kept under observation; or, if any such person gives a genuine address, he may, at the discretion of the Health Officer, be subjected to surveillance for a period not exceeding five days.

52. At all ports declared to be infected with plague proper measures shall be taken to prevent rats obtaining access to vessels. Appendix B).

53. Regulations *43* to *52* shall apply to all pilgrim or emigrant ships and may, by order of Government, be applied to vessels leaving a port in India or Burma for another in India or Burma.

(See Regulation 42).

APPENDIX A.

INSTRUCTIONS FOR DISINFECTION.

Personal effects, such as rags, bandages, papers and other articles without value, which, in the opinion of the Health Officer, are deemed likely to carry infection, should be destroyed by fire.

2. Under-clothing, bedding, wearing apparel, mattresses, carpets, etc., which are contaminated or *suspected*, and other articles to be disinfected, should be exposed for 15 minutes to saturated steam—under pressure if possible—at a temperature of not less than 100° C (212° F.), care being taken that the steam shall reach all parts of each article to be disinfected.

3. *Disinfecting Solutions*—

(*a*) Solution of corrosive sublimate of one part in 1,000 with the addition of 2 parts in 1,000 of hydrochloric acid or 160 grains of chloride of soda in one gallon. The solution should be coloured with aniline dye or indigo. It should not be placed in metal vessels.

(*b*) A 5 per cent. solution of pure crystallized carbolic acid, or 5 per cent. of crude commercial carbolic acid free from tar oils in a warm solution of soft soap.

(*c*) Freshly prepared lime-wash.*

(*d*) Such proprietary tar acid compound as the Port Health Officer may approve of.

4. *Special instructions to be observed in the employment of disinfecting solution.*—The linen, clothing and articles soiled by the excreta of patients should be soaked in the solution of corrosive sublimate. The solution of pure carbolic acid and the solution of soap and carbolic acid are equally suited to the purpose. The articles should remain in the solution for at least six hours.

Articles which cannot be subjected to the temperature of 212° F. without injury, as leather goods, wooden articles stuck together with glue, felt, velvet, silk, etc., should be washed with a disinfecting solution; coins can be disinfected with the solution of soap and carbolic acid. Persons engaged in nursing the sick should wash their hands and faces with one of the carbolic solutions. The carbolic solutions will be useful more particularly for disinfecting articles such as metal, or instruments, which can neither be subjected to a temperature of 212° F. nor placed in contact with corrosive sublimate. Chlorinated lime is particularly recommended for disinfecting excreta. Expectorated matter should be burnt.

5. *Disinfection of ships on which plague has occurred among human beings or rats.*—All rats on board shall be destroyed by means of sulphurous anhydride or other suitable disinfectant. The cabins, etc., occupied by the sick or those suspected to be suffering from plague shall, at the discretion of the Health Officer, be treated with a solution, of corrosive sublimate and throughly cleansed with

* The lime-wash should contain 20 per cent. of lime and may be prepared as follows:—Take 2 pounds of good quick-lime and slake it by moistening it gradually with about half a pint of water. When the operation is completed, the resulting powder must be kept in an airtight vessel in a dry place.

For use the quantity of slaked lime obtained from 2 pounds of quick-lime should be placed in a convenient vessel and water added to make one gallon.

soap and water. In the case of pneumonic plague preliminary disinfection with corrosive sublimate solution shall be invariably carried out.

6. *Disinfection of the hold of an infected ship.*—The bilge-water shall be pumped out, and the hold washed with sea-water, a sufficient quantity of a solution of corrosive sublimate being subsequently thrown in at the discretion of the Health Officer. The bilge-water shall not be pumped out when the vessel is in harbour without the written consent of the Health Officer.

APPENDIX B.

MEASURES TO BE ADOPTED TO PREVENT RATS OBTAINING ACCESS TO VESSELS.

1. There shall be a space of at least three feet between any part of the vessel and the wall of the dock or wharf.

2. All ropes and hawsers connecting the vessel with the dock or wharf shall be furnished with a circular concave-convex rat-guard at least four feet in diameter fitting tightly, with the concavity towards the wharf, on the rope or hawser, and so fixed that no part of the margin of the guard shall be less than 24 inches from the rope or hawser, or any other pattern of rat-guard that may be approved by Government.

3. To prevent rats reaching the ship by means of a gangway, as few gangways shall be used as possible; all gangways shall be raised at night; and a watchman shall be placed on each gangway during the day from the time the gangway is lowered until it is raised.

4. A responsible person shall be deputed by the local Government to ensure these measures being applied immediately the vessel is berthed.

By order of His Excellency the Right Honourable the Governor in Council,

J. L. RIEU,
Secretary to Government.

23rd March 1915.

From

THE SECRETARY,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

To

" J. L. RIEU, ESQ.. I. C. S.,

Secretary to Government, General Department,

BOMB

SIR,

With reference to your letter of the 6th February 1915, No. 19098-A; enclosing the draft of a notification proposed to be issued in exercise of the powers conferred by section (*b*), sub-section (1), clause (*p*), of the Indian Ports Act, 1908 (XV of 1908), as amended by the Indian Ports (Amendment) Act 1911, IV of 1910, my Committee beg to suggest that the latter part of section 39 of the said notification beginning from 'and shall be liable to pay etc.' and ending with 'be made against them' should be eliminated. They do not think it reasonable or just to charge people with costs accruing from their removal to hospital as this is for the purposes of public sanitation and the public should bear any expenditure on that score.

My Committee beg also to point out in this connection that a large number of passengers by coasting steamers is poor and not in a position to pay for their hospital charges. Owing to these reasons, it is hoped that the suggestion made by them will be accepted.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA,

Secretary.

No. 5334.

GENERAL DEPARTMENT.

Bombay Castle, 6th July, 1915.

From

J. L. RIEU, Esq., I. C. S.,

Secretary to Government

To

THE SECRETARY,

Indian Merchants' Chamber and Bureau,

BOMBAY.

SIR,

With reference to your letter dated the 24th March, 1915, I am directed to forward herewith for the information of the Chamber a copy of Government Notification No. 5331, dated the 6th July, 1915, containing the rules finally issued by Government under the Sanitary Clauses of the Indian Ports Act for the prevention of the spread of infectious or contagious diseases by means of ships arriving at and departing from ports in the Presidency (excluding Sind) and Aden.

2. With regard to the modification of rule 39 proposed by the Chamber I am to point out that, except in the case of Pilgrim and Emigrant ships, coasting traffic is ordinarily exempt from the Regulations. The charges to be recovered under rule 39, for removal to hospital and retention under observation will generally fall on the persons going to or coming from ports out of India. In the circumstances the Governor in Council saw no reason to modify rule 39.

I have the honour to be,

Sir,

Your most obedient servant,

J. L. RIEU,

Secretary to Government

APPENDIX T.

Enemy Banks,
No. 2724 of 1915.

REVENUE DEPARTMENT.
Bombay Castle, 6th March, 1915.

From
C. W. A. TURNER, Esq., I. C. S.,
Under Secretary to the Government of Bombay.

To
THE SECRETARY,
Indian Merchants' Chamber and Bureau.

SIR,

I am directed to forward a copy of the letter from the Government of India, Department of Commerce and Industry, No. 1903-1906-S. W., dated 26th February 1915, together with a copy of its accompaniment, on the question of extending the effect of the Royal Proclamation, dated 7th January 1915, to British India, and to request that the opinion of the Chamber thereon may be forwarded to this Government as early as possible.

I have the honour to be,
Sir,
Your most obedient servant,
C. W. A. TURNER,
Under Secretary to Government.

No. 1903—1906-S. W.
GOVERNMENT OF INDIA.
DEPARTMENT OF COMMERCE AND INDUSTRY.
Simla, the 26th February 1915.

From
S. H. SLATER, Esq., I.C.S.,
Under Secretary to the Government of India.

To
The Chief Secretary to the Government of Bombay.

SIR,

I am directed to enclose a copy of a Royal Proclamation dated the 7th January 1915, for the information of His Excellency the

Governor in Council and to request that the Government of India may be favoured with the views of the Government of Bombay as to the desirability of extending the effect of the Proclamation to British India.

2. As the meaning of the Proclamation is not altogether clear, it is considered advisable to explain in some detail the view which the Government of India take of the effect which the application of the Proclamation will have on persons resident, carrying on business or being in British India. It should be mentioned that the language of the Proclamation, if extended to British India, would require modification to the extent that for the words "United Kingdom," *only where they first occur* in the text, should be substituted "British India." The effect would thus be that transactions of the kind specified in paragraph 1 of the Proclamation, if entered into after the date of the extension, by persons, firms, or companies, resident, carrying on business, or being in British India, would, subject to the proviso to the paragraph, be transactions with an enemy, in all cases, save where the branch was situated in the United Kingdom.

Put briefly, the effect would be to prevent persons in British India doing banking business with enemy firms or doing any business with enemy banks in (e.g.,) British India, France, Java, or the United States of America, if such firms or banks had headquarters in hostile territory. The difference in meaning between the terms "enemy firms" and "hostile firms" will no doubt receive attention. The importance of preventing transactions of this kind is apparent from the fact that at present Germany can obtain funds on bills collected through branches of her banks in neutral territories, with regard, however, to the case of enemy firms in British India, the prohibition of the Proclamation, if applied to India, will override any license already granted to hostile firms, and it will be necessary to consider whether this is likely to cause any inconvenience in practice. This effect however can be avoided by utilising the power conferred by paragraph 3 of the Proclamation of October the 8th which is to be construed as one with this Proclamation and

declaring that acts done or to be idone in accordance with the terms of a license granted under the Hostile Foreigners Trading Order shall in case of branches in British India be exempted from the operation of the Proclamation as extended. It must be remembered that the contingency which the Proclamation is designed to prevent is already guarded against to a considerable and perhaps adequate extent. This consideration will no doubt be borne in mind by the Government of Bombay in expressing their views on the question now referred to them.

3. I am to request that the opinion of the Bombay Chambers of Commerce may be obtained and communicated to the Government of India, and that a reply may be sent to this letter at a very early date.

I have the honour to be,
Sir,
Your most obedient servant,
(Sd.) S. H. SLATER,
Under Secretary to the Government of India.

BY THE KING.

A Proclamation
Relating to Trading with the Enemy.

GEORGE R. I.

Whereas By Our Proclamation dated the 9th day of September, 1914, called the Trading with the Enemy Proclamation, No. 2, certain prohibitions, as therein more specifically set forth, were imposed upon all persons therein referred to:

And whereas by Our Proclamation dated the 8th day of October, 1914, the Trading with the Enemy Proclamation, No. 2. was amended as therein more specifically set forth:

And whereas by Our Proclamation dated the 5th day of November, 1914, it was declared that the aforesaid Proclamations, amongst

others, should apply to the state of war existing between Us and the Sultan of Turkey:

And whereas it is desirable to extend the scope of the prohibitions contained in the aforesaid Proclamations, in the manner hereinafter appearing:

Now, THEREFORE, We have thought fit, by and with the advice of Our Privy Council, to issue this Our Royal Proclamation, declaring, and it is hereby declared, as follows:—

1. Notwithstanding anything contained in paragraph 6 of the Trading with the Enemy Proclamation, No. 2, transactions hereafter entered into by persons, firms or companies resident carrying on business or being in the United Kingdom—

(*a*) in respect of banking business with a branch situated outside the United Kingdom of an enemy person, firm or company, or

(*b*) in respect of any description of business with a branch situated outside the United Kingdom of an enemy bank,

shall be considered as transactions with an enemy:

Provided that the acceptance, payment or other dealing with any negotiable instrument which was drawn before the date of this Proclamation shall not, if otherwise lawful, be deemed to be a transaction hereafter entered into within the meaning of this paragraph.

2. The power to grant licences on Our behalf vested by paragraph 8 of the Trading with the Enemy Proclamation, No. 2, in a Secretary of State, or the Board of Trade, may also be exercised by the Lords Commissioners of Our Treasury.

3. If the Governor in Council of any British possession shall issue a Proclamation extending the provisions of this Proclamation to transactions by persons, firms or companies resident carrying on business or being in that possession such first mentioned Proclamation shall have effect as if it were part of this Proclamation.

4. This Proclamation shall be read as one with the Trading with the Enemy Proclamation, No. 2, and with Our Proclamation dated the 8th day of October amending the same.

Given at Our Court at Buckingham Palace, this Seventh day of January, in the year of our Lord one thousand nine hundred and fifteen, and in the Fifth year of Our Reign.

GOD SAVE THE KING.

10th March 1915.

From

THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

C. W. A. TURNER, Esq., I.C.S.,
Under Secretary to the Government of Bombay,
Revenue Department,
BOMBAY.

SIR,

With reference to your letter of the 6th instant No. 2724 of 1915, I am directed by the Committee of this Chamber to inform you that they approve of extending the effect of the Royal Proclamation, dated the 7th January 1915, to British India.

I beg to remain.
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary.

APPENDIX U.

£ 25 limit in connection with certificates of origin.

No. 3165 of 1915.

REVENUE DEPARTMENT.

Bombay Castle, 16th March 1915

From

C. W. A. TURNER, Esq., I.C.S.,

Under Secretary to the Government of Bombay.

To

THE SECRETARY,

The Indian Merchants' Chamber and Bureau.

SIR,

In continuation of Government letter No. 2102, dated 20th February 1915, I am directed to state for the information of the Chamber and for communication to the mercantile community, that His Majesty's Government have abolished the £ 25 limit in connection with certificates of origin which will now be required for all consignments despatched from the country of origin after 7th March irrespective of their value. The necessary instructions have been issued to Consular Officers by the Secretary of State.

I have the honour to be,

Sir,

Your most obedient servant,

C. W. A. TURNER,

Under Secretary to Government.

24th March 1915.

From

THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
Bombay.

To

C. W. A. TURNER, ESQ., I. C. S.,
Under Secretary to the Government of Bombay,
REVENUE DEPARTMENT,
Bombay.

SIR,

I am directed by my Committee to acknowledge the receipt of your letter of the 16th instant No. 3165 of 1915, in which reference is made to the Government order in the matter of the certificates of orgin required for imported consignments.

My Committee regret that such an important order should have been communicated 9 days after the date on which it takes effect. In a matter of this nature it would be better if Government orders were communicated to all mercantile bodies immediately by telegram on their promulgation.

Comming now to the order itself my Committee beg respectfully to draw the attention of the Government to the inconveniences that are likely to be entailed on importers through the absence of any previous intimation.

It is obvious that several consignments must have left countries of origin after the 7th March, 1915, before the terms of the letter in question were announced to the public. It would be impossible naturally to get certificates of origin for these consignments which would cause difficulties in the way of these being cleared from Customs Houses. My Committee beg therefore to suggest that for all the consignments which left the countries of origin before the announcement of the Government resolution doing away with the £. 25 limit for certificates of origin, some concession should be allowed in this wise that on the production of reasonable proofs about

their respective countries of origin, importers should be enabled to get delivery of them without the necessity for a certificate of origin.

I beg to remain,
Sir,
Your most obedient Servant,
J. K. MEHTA,
Secretary.

No. 3546 of 1915.

REVENUE DEPARTMENT.

Bombay Castle, 26th March 1915.

From

C. W. A. TURNER, Esq., I.C.S.,
Under Secretary to the Government of Bombay.

To

THE SECRETARY,
The Indian Merchants' Chamber and Bureau.

SIR,

In reply to your letter of March 24th on the subject of the abolition of the limit of £ 25 in connection with certificates of origin, I am directed to point out that the orders in question were communicated to Consuls on March 5th in ample time for exporters to become acquainted with them before March 9th. It seems therefore improbable that inconvenience will be caused. Should, however, it appear hereafter that any real hardship has been caused by the fact that the change in the orders was not notified in time, any representation will receive due consideration.

I have the honour to be,
Sir,
Your most obedient servant,
C. W. A. TURNER,
Under Secretary to Government.

APPENDIX V.

Industrial Alcohol.

Bombay, 14th April 1915.

From

THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

THE SECRETARY,
Commerce and Industry Department,
Government of India,
SIMLA.

SIR,

Following upon the interview the Committee of this Chamber had with the Hon'ble Mr. W. H. Clark, C.S.I., Member for Commerce and Industry, on the 6th January 1915, I am directed by them to address you as follows:—

In consequence of the cessation of the trade of this country with enemy countries the import of several important chemicals is stopped. Industrial Alcohol plays a leading part in the manufacture of many of these chemicals and is extensively used in some industries which may well receive the attention of industrialists at present, when the question of the development of existing industries and starting of new ones is so much in the air. My Committee beg to give below a list of principal chemicals and industries in which Alcohol is largely used. It is largely used by perfumers and makers of essences, by varnish makers, by photographers in the making of photographic plates and papers, by pharmaceutists in the preparation of (tinctures and other valuable medicaments, by chemists in the preparation of) various organic and inorganic products, and in analytical operations, by anatomists and naturalists in the manufacture of vinegar, and in a multitude of industries which it is not possible to enumerate here.

In view of this importance of alcohol for industrial purposes my Committee beg to approach the Government with a request that it may be declared duty free in instances where it is to be used *bona fide* for industrial purposes. That this is not altogether a new suggestion will be seen from a copy of the letter addressed to Mr. C. T. Needham M. P., Hon. Secretary of the Association of Chambers of the United Kingdom by the Commissioners of Customs and Excise of Great Britain, which is appended herewith. This letter shows that in the United Kingdom alcohol, whether manufactured there or imported from abroad, is in some cases declared duty free if used for industrial purposes. My Committee also beg to draw your attention to a resolution on this subject moved at the recent annual meeting of the Association of Chambers of the United Kingdom, and to the Free Alcohol Act of 1906 of the United States of America by which alcohol was made tax free for industrial purposes.

Under these circumstances my Committee earnestly hope that the Government will be pleased to declare alcohol, whether manufactured locally or imported from abroad, duty free provided it is to be used for industrial purposes.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary.

APPENDIX 1.

Copy of the letter addressed to Mr. C. T. Needham M. P., Hon. Secretary of the Association of Chambers of the United Kingdom by the Commissioners of Customs and Excise of Great Britain.

CUSTOM HOUSE, LONDON, E. C.
4th March 1914.

SIR,

In reply to your letter of the 21st ultimo, I am directed by the Commissioners of Customs and Excise to forward the following

information: Alcohol is allowed to be used duty-free for industrial purposes on the following conditions:—

1. Methylated Spirit:—This is spirit which has been denatured by licensed or authorised makers under the supervision of the Revenue Officials. It is of two kinds: (*a*) "Industrial methylated spirit" which is a mixture of strong spirits with one-nineteenth of its bulk of wood naphtha or other substance or combination of substances approved for the purpose by the Commissioners. The mixture can only be applied by the makers to persons who have the authority of the Commissioners to receive it for use for specified purposes in any art of manufacture carried on by them. Except when the quantity to be received is very small, the user is required to enter into bond for the proper use of the spirit, and under any circumstances the premises are visited from time to time by the revenue officers. (*b*) "Mineralised methylated spirit," which is a similar mixture to (*a*), except that the proportion of wood naphtha or other approved denaturant, is one-ninth of the bulk of the ordinary spirit, and that in addition it contains not less than three-eighths of one per cent. by volume of approved mineral naphtha or petroleum oil. This mixture is used in those arts and manufactures for which it is suitable, and in connection with which there may be some objection to sanction the use of industrial methylated spirit. With the authority of the Commissioners it may be received in the quantities required in such cases. The risk of using it for portable purposes is not so serious as in the case of the less impure mixture (industrial methylated spirit), and consequently the manufacturer who employs it on the large scale is not in ordinary circumstances required to enter into bond, but notwithstanding this, his premises are subject to a certain amount of revenue supervision. This mixture may be sold by licensed retailers to any person in quantities not exceeding four gallons at one time, and, in fact, the great bulk of this description of the spirit is disposed of in this way. The spirit thus sold is used for heating purposes and for making French polish in comparatively small quantities.

2. Duty free Alcohol other than methylated spirit :—

Under Section 8 of the Finance Act 1902, the Commissioners may, subject to such regulations as they may make, authorise the receipt of pure spirit for use duty free in any art or manufacture in which the use of spirits is required, and where it is proved to their satisfaction that methylated spirit is unsuitable or detrimental. The conditions which have been imposed are, as far as possible, adapted to the circumstances of each case; but the manufacturer must give bond that he will use the spirit on his premises for the authorised purpose; and account of the spirit on receipt at the manufactory must be taken by a revenue officer, and before use it must be mixed in his presence with such denaturants as may have been approved by the Commissioners in connection with the particular manufactory. The use of the denatured spirit is also subject to supervision of a more or less stringent character according to the extent to which it has rendered unfit for consumption the facilities which may exist for purifying or redistilling it, and other circumstances.

Petrol Tax :—The tax on petrol is levied only on spirit used to supply motive power for motor cars. The amount of the tax is:—for private motor cars, 3 d. per gallon; for motor cars standing or plying for hire (omnibuses, taxi-cabs, etc.,) trade motor vans, and motor cars used by medical men in their professional duties, 1½ d. per gallon... As a matter of convenience in collecting the revenue from spirit used in motor cars, the full duty of 3d. is, as a rule, paid on the spirit on delivery from the manufactory, refinery or warehouse, but if it is ultimately used for a purpose for which the half duty spirit is applicable, half the duty paid is allowed as a rebate to the actual user. In the case, however, of persons who use over 500 gallons per annum for generating power for driving taxi-cabs, omnibuses, and trade vans, arrangements are made to allow them to receive the spirit from bond on payment of half the full duty. No tax is levied on any spirit used for the generation of power, or for motor purposes, other than that on petrol used for motor cars, but it may be observed that duty-free alcohol, except in the form of

mineralised methylated spirit, is not allowed to be used for those purposes.

I am,

Sir,

Your obedient servant,

(Sd.) J. P. BRYNE.

No. 4358-126.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE AND INDUSTRY.

Simla, the 20th April 1915

From

H. A. F. LINDSAY, Esq., I.C.S.,

Under Secretary to the Government of India.

To

THE SECRETARY

The Indian Merchants' Chamber and Bureau,

77-79 APOLLO STREET, BOMBAY.

SIR,

I am directed to acknowledge the receipt of your letter dated the 14th April 1915, and to intimate that it will be submitted for the the consideration of the Government of India.

I have the honour to be,

Sir,

Your most obedient servant,

H. A. F. LINDSAY,

Under Secretary to the Government of India.

APPENDIX W.

British Chamber in Paris.

No. 3613 of 1915.

REVENUE DEPARTMENT.

Bombay Castle, 27th March 1915.

From

C. W A. TURNER, Esq., I,C.S.,

Under Secretary to the Government of Bombay.

To

THE SECRETATY,

The Indian Merchants' Chamber and Bureau.

SIR,

I am directed to forward copy of a despatch No. 103 Rev. dated 24th July 1914, and of its enclosures, addressed to the Government of India by His Majesty's Secretary of State for India, regarding certain proposals made by the Australian section of the British Chamber of Commerce in Paris for the promotion of Indian commercial interests in France through the agency of that Chamber, and to request that the views of the Chamber may be forwarded to this Government on the following aspects of the proposals, *viz.*, (1) whether any, and if so what, benefit can be anticipated from the scheme under the war conditions and (2) what advantages Indian trade may be expected to gain from it under normal conditions.

I have the honour to be,

Sir,

Your most obedient servant,

C. W. A. TURNER,

Under Secretary to Government.

Revenue, India Office, London,

No. 103. 24th July 1914.

To His Excellency the Right Honourable the Governor General of India in Council.

My Lord,

I forward for the consideration of Your Excellency's Government a copy of a letter* from the Chairman of the Australian Section of the British Chamber of Commerce in Paris, submitting proposals for the promotion of Indian commercial interests in France through the agency of that Chamber, with a copy of the reply † that I have caused to be sent to Sir John Pilter. I shall be glad to learn the views of Your Excellency's Government on the proposal.

The British Chamber of Commerce in Paris, and Indian Commercial interests in France.

*Dated 25th April 1914.
† Dated 22nd July 1914.

2. I enclose a copy of a letter ‡ from the Official Secretary in Great Britain of the Commonwealth of Australia, on the subject of the arrangements in force between the Commonwealth and the British Chamber in Paris.

‡ Dated 29th June 1914.

I have the honour to be,
My Lord
Your Lordship's most obedient humble servant,
(Signed) CREWE.

ROYAL ASIATIC SOCIETY LIBRARY OF THE BOMBAY BRANCH OF THE

ENCLOSURES.

ENCLOSURE No. 1:—*Chairman, Australian Section, British Chamber of Commerce, Paris. to India Office.*

9, Rue des Pyramides,

25th April 1914.

SIR,

Referring to the visit I had the honour of paying to you on the 3rd of this month in regard to the services which the British Chamber of Commerce in Paris could render to the Empire of India by making known Indian products on the French markets and generally fostering Indian commercial interests in France, I enclose a summarized statement of the work the Chamber could undertake.

I am proud to say that our Chamber's effort for the development of trade between Australia and France were particularly alluded to by His Majesty the King, in the following terms, when receiving the Board of our Chamber on 22nd April:—

> "I am gratified that the Chamber of Commerce should also recall my efforts to stimulate commercial activity from an Imperial point of view, and I congratulate that body upon the success achieved in promoting trade relations between France and my Over-seas Dominions."

You were good enough to say during our interview that Mr. W. H. Clark, Member for Commerce and Industry of the Viceroy's Council, would arrive immédiately in London, and I should be pleased to come over to discuss this subject at any time convenient to yourself and Mr. Clark, unless the latter gentleman would prefer to pay a visit to Paris and examine personally the working of our Australian Department.

I may add that our Chamber is an Incorporated body under special licence from the Board of Trade, entirely composed of British subjects, under its Memorandum of Association, and that no pecuniary benefit can be distributed amongst any of its members—the object of the Chamber being solely that of advancing British

commercial interests in France. I hope therefore that your Department will see their way to avail themselves of the services we are able and anxious to render, and remain, Sir,

The Under Secretary of State
for India.

Your obedient servant,
JOHN PILTER,
Chairman of the Australian Section.

ANNEX :—

Memorandum.

Proposed Representation of India.

25th April 1914.

At the commencement of 1913 our Chamber was appointed Official Representative in France of the Commonwealth of Australia, and devoted a special portion of its premises and a special staff to the work of this representation. The results as regards the development of trade between Australia and France have already been most satisfactory, as will be observed from the gracious reference of His Majesty the King mentioned in the accompanying letter.

The enquiries received from French houses for Australian produce are continually increasing, and side by side with these we also receive enquiries for Indian produce, French buyers evidently considering that we are exceptionally well-situated to act in this capacity for all the great Over-sea Dominions, and appreciating the facilities for information offered by our organisation. It has, therefore, seemed to us that it would be extremely practicable for us to represent the Government of India in the same way and at the same time as the Commonwealth of Australia. So far from the interests of the two great Dominions clashing in any way, their respective geographical position oblige them to produce widely differing articles; the two representations would be mutually helpful and would enable us to render increased services to both Dominions.

Our Chamber is, in fact, particularly qualified to render services of this kind in France, both by its 40 years' experience in this coun-

try and by its equipment for supplying information of every kind regarding France, while by the terms of its licence from the Board of Trade, it is debarred from making any profit and has no individual interest to serve.

We, therefore, venture to suggest that our Chamber be appointed Official Commercial Representative of British India (the post we already hold under the Commonwealth of Australia), and we briefly outline the following list of services that we could render.

1°. Communication of all matters interesting Franco-Indian trade to the proper Government Department in London;

2°. Supply of information to Indian exporters and French buyers;

3°. Judicious advertising, if deemed necessary, for the popularising of Indian produce in France;

4°. Commercial Museum or show-room of Indian produce open to the inspection of French buyers;

5°. Visa of French export documents for India (if the India Office desire us to perform such service);

6°. to Preparing the ground for possible negotiations with a view to an arrangement, which would place all or a portion of Indian produce under the French Minimum tariff, or "most favoured nation" treatment.

We append further details regarding each of the suggested services.

1. *Communications for the India Office.*—We think it is hardly necessary to enlarge upon the usefulness to the Government of India of possessing its own accredited representative in France, who could supply information upon every subject desired by the Government; could inform Indian shippers how to declare their goods for French Customs; enable them to avoid any customs difficulties, and could, by personal communication with the French Administrations, remove such difficulties immediately they occur. Our services in this respect to Australia are much appreciated.

3. *Supply of Information.*—We should be at the entire disposal of firms in India when corresponding with or visiting France, and give them all details they require. The assistance of such an institution as our own is indispensable in view of the complications of the French Customs tariff and the formalities which must be observed in order to avoid loss and fines.

We could also supply or undertake either through the Department in London or direct to Indian houses (as may be desired);—

Lists of suitable agents in France;
References on the stability and credit of French buyers;
Lists of buyers;
Submission of samples of Indian produce to likely purchasers;
Transmission of inquiries received from buyers of such produce;

British Indian shippers and merchants when visiting France could, if required, be accompanied by a member of our staff.

3. *Advertising.*—The judicious use of newspaper publicity has been found most valuable in our Australian Representation and has elicited many demands for Australian produce. The volume of Franco-Indian trade is already large (Fr. 390,000,000 in 1912), but we believe that by drawing the attention of French houses to India's vast extent and potentialities, more could be done.

4. *Commercial Museum.*—A useful collection of samples of Indian produce, on the same lines as our Australian collection of exhibits, would have excellent results.

The collection should be renewed at proper intervals, and the best class of French buyers would be regularly advised and asked to call. In connection with this commercial museum, a bureau for information relating to India would be organised.

5. *Visa of Export Documents.*—We believe that the number of documents requiring visa for export to British India is extremely small (if any), but should the India Office desire us to undertake such a duty, this could be arranged.

6. *Preparing the ground for a possible Franco-Indian Commercial Arrangement.*—The Chamber's constant connection and close touch with the various departments of the French Government would undoubtedly be most useful, should the Government of India deem it advisable at some future date to negotiate for the application of the French Minimum tariff to all the important articles of Indian export. (At the present time only tea, coffee, and spices so benefit). Our Chamber took a prominent part in the movement which ultimately resulted in the Franco-Canadian Commercial Convention of 1907, and we are conducting a similar movement for Australia. Members of the Canadian Government have testified on several occasions to the Chamber's usefulness in this connection. The experience gained in our long correspondence and numerous interviews with French Ministers and Governmental Departments, at the time of the Tariff Revision of 1910, would also be of obvious value in negotiations of this nature.

The present moment would be especially propitious as the French Minister of Commerce has asked the French Chamber of Commerce to advise him as to the desirability of closer commercial relations with the British Colonies.

7. *Probable Expense.*—The expenses of representation would necessarily depend upon the scope of the services required by the India Office and the premises considered necessary. From the Australian Government for the services rendered we receive a sum of 1,000*l.*, the Commonwealth Government being so satisfied with the way in which we have organised their Representation, that they have already added two special grants to their original annual subvention.

For the Committee,

JOHN PILTER,

Chairman of the Australian Section,

British Chamber of Commerce, Paris.

ENCLOSURE No. 2:—*India Office to Chairman, Australian Section, British Chamber of Commerce, Paris.*

R. and S. 2594.

INDIA OFFICE,
22nd July 1914.

SIR,

In continuation of the letter from this Office, R. and S.-2111, of the 4th June last, I am directed by the Secretary of State for India in Council to inform you that your letter of the 25th April, on the subject of the proposal to utilise the services of your Chamber for the promotion of Indian commercial interests in France, has been referred to the Government of India, and that until their views are received His Lordship does not consider that the proposal could with advantage be discussed at an interview.

I am to add that a further communication will be addressed to you when the Government of India have replied.

I am, etc.,
T. W. HOLDERNESS.

SIR JOHN PILTER, KT.

ENCLOSURE No. 3:—*High Commissioner for Australia to India Office*

COMMONWEALTH OFFICES,
72, Victoria Street,
Westminister, London, S.W.,
29th June 1914.

DEAR MR. DRAKE,

In reply to your letter of the 27th instant, the arrangements concerning the representation of Commonwealth Government at the British Chamber of Commerce in Paris are as follow:—

(1) The Chamber took premises so as to be able to give us certain accommodation and an exhibition of Australian products.

(2) Towards the cost of their having to take new premises, we pay the sum of 200*l.* per annum. Then there is to pay 600*l.* per annum for the work that they have agreed to undertake on our

behalf. *i.e.*, to promote a knowledge of Australia and Australian products, and to assist in the development of their Chamber under the presidency of Sir John Pilter, and they employ a clerk who attends to our Australian business.

Since they undertook this work enquiry has been steadily stimulated, and the work gradually increases. We have had many trade enquiries, and we also find that the office is of great convenience to Australians who may be wanting information when travelling.

They also do a certain amount of press publicity, *i.e.*, getting paragraphs inserted in the French press concerning Australian matters.

Yours faithfully,

R. MUIRHEAD COLLINS.

FRANCIS C. DRAKE, Esq.,
India Office.

6th May 1915.

From

THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

C. W. A. TURNER, ESQUIRE, I.C.S.,
Under Secretary to Government of Bombay,
Revenue Department,
BOMBAY.

SIR,

With reference to your letter of the 27th March 1915, No. 3613 of 1915, I am directed by the Committee of this Chamber to inform you that they see no objection to the suggestion of the British Chamber of Commerce in Paris being accepted by Government, but they beg to suggest that it would be advisable to get one conversant with the commercial condition of this country, preferably a qualified Indian, appointed in charge of the proposed Indian Section of that Chamber.

The trade of this country with France is a large one, but there are still many untapped possibilities for a further expansion of this trade. This would be possible, the Committee think, by the arrangement proposed by the British Chamber which would open out to each country hitherto unexplored fields of the trade of the other. Specially will this be the case under war conditions when India has got large portion of her export products lying on her hands because of the cessation of trade with enemy countries.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA.
Secretary.

APPENDIX X.

Accountancy Diploma Board.

No. 126.

OFFICE OF THE ACCOUTANCY DEPLOMA BOARD,
65, Apollo Street.
Bombay, 4th May 1915.

From

K. SUBRAMANI AIYAR Esq. B., A., L. T., F. S. A. A.,
Secretary, Accountancy Diploma Board,
BOMBAY.

To

THE SECRETARY,
Indian Merchants' Chamber and Bureau,
Apollo Street,
BOMBAY.

Sir,

I have the honor to forward herewith 10 copies of the Press Note issued by the Government of Bombay constituting this Board,

and 27 copies of the draft regulations for the award of the Diploma in Accountancy as approved by the Accountancy Diploma Board and by the Auditors' Council, Bombay.

2. It will be seen from the Press Note that the Diploma in Accountancy of the Government College of Commerce, Bombay is hereafter to be the basis for the issue of Auditors' certificates by the different Local Governments in India. My Board has been instructed by the Government of Bombay to ascertain and take into consideration the views of leading men of business and to formulate detailed proposals for the award of such Diploma. At a joint meeting of the Accountancy Diploma Board and the Auditors' Council, it was resolved to request the Managing Committee of your Chamber to favor my Board with their views on the draft regulations herewith forwarded. I, therefore, request you to favor me with the views of your Managing Committee before the 30th June 1915.

3. If you convene a meeting of your Committee next month some day after the 8th and, if so desired, myself as Secretary to the Board, and Mr. Percy Anstey, Principal of the College of Commerce, will be glad to attend the meeting of your Committee to answer your queries, if any, and to explain such portions of our draft regulations as may require further elucidation.

I have the honour to be,
Sir,
Your most obedient servant,
K. SUBRAMANIAIYAR,
Secretary.

Press Note.

In addressing the Bombay Government on the subject of the qualifications which should be required of auditors under the Indian Companies Act, VII of 1913, the Life Assurance Companies Act, VI of 1912, and the Provident Insurance Societies Act, V of 1912,

the Government of India suggested that the Government College of Commerce in Bombay, the establishment of which was then in contemplation, might be utilized for the purpose of organizing instruction and conducting examinations for recognized accountants in India. They observed that it might be a convenience if the examination in accountancy which would be held in connexion with the College could be held at other important commercial centres also, the certificate awarded on its results being recognized as a certificate valid throughout India.

In reply, the Government of India were informed that the Bombay College of Commerce, besides teaching the course for the degree of Bachelor of Commerce of the Bombay University, would train students for a college diploma in accountancy, and that the Bombay Government were prepared to accept the suggestion that this diploma should be made the basis for the issue of certificates as auditors of companies and would endeavour to give effect to it. Action on this suggestion was, however, deferred pending the appointment of the permanent Principal of the College and consultation with him as to the measures to be organized for bringing it into operation.

The Governor in Council has now decided, with a view to giving effect to the proposals of the Government of India, to constitute a special body to which shall be entrusted the task of organizing and conducting the examinations for accountants and awarding a diploma in accountancy. This body will be closely associated with the Government College of Commerce, its members being also members of the Advisory Board of the College, the constitution of which was recently announced. Its designation will be "The Accountancy Diploma Board," and it will be composed of seven members, namely, the Director of Public Instruction (Chairman) the Principal of the College, the Secretary and Treasurer of the Bank of Bombay, a senior Chartered Accountant, a senior Incorporated Accountant, and two experts in mercantile law.

The experts in accountancy and mercantile law having been selected, the Board as now constituted consists of the following members :—

Chairman.

(1) The Hon'ble Mr. W. H. Sharp, M.A., Director of Public Instruction.

Members.

(2) Mr. Percy Anstey, B.Sc. (London), Principal of the Government College of Commerce, Bombay.

(3) The Secretary and Treasurer of the Bank of Bombay.

(4) Mr. H. G. Cocke of Messrs. A. F. Fergusson and Company, Chartered Accountants, Bombay.

(5) Mr. K. Subramani Aiyar, B.A., L.T., F.S.A.A., Incorporated Accountant.

(6) Mr. A. K. Donald, Barrister-at-Law, Judge, Court of Small Causes, Bombay.

(7) Mr. D. F. Mulla, M.A., LL.B., Advocate of the High Court, Bombay.

Mr. Aiyar will act as Secretary to the Board.

The Board will have before it a scheme drawn up by Mr. Aiyar for the institution of an examination for a diploma in accountancy. It will now proceed, in consultation with the Auditors' Council and after ascertaining and taking into consideration the views of leading men of business, to formulate its own detailed proposals for the institution of such an examination. Among the questions to be considered will be the minimum age limit for the grant of an accountant's certificate, the nature of extent of the practical training to be required from applicants for such certificate, and the special facilities to be afforded to those who are already in employment and consequently unable to attend lectures at a recognized institution. The detailed scheme will be published as soon as it has been considered and approved by Government.

No. 782.

EDUCATIONAL DEPARTMENT.

Bombay Castle, 10th March, 1915.

Forwarded to—

The Commissioner in Sind,
The Commissioner, N. D.,
The Commissioner, C. D.,
The Commissioner, S. D.,
All Collectors, including the Collectors in Sind and the Deputy Commissioner, Upper Sind Frontier,
The Director of Public Instruction,
The Principal, Government College of Commerce, Bombay,
The Secretary to the Accountancy Diploma Board,
The Editors' Tables and Editors of Newspapers,
The Oriental Translator to Government,
The Non-official Members of the Legislative Council,
The Editor of Government Publications,
The Editor, "Educational Review," Madras,
The Revenue Department,
The Separate Department (for the reading room for the Members of the Legislative Council).
All Registered Libraries.

J. L. RIEU,
Secretary to Government.

For private circulation only.

DRAFT REGULATIONS FOR THE AWARD OF

THE DIPLOMA AND ACCOUNTANCY

of the Government College of Commerce, Bombay.

Provisionally adopted by the Accountancy Diploma Board, and the Auditors' Council, Bombay.

1. The Diploma in Accountancy of the Government College of Commerce, Bombay, will be awarded by the Government of

Bombay, on the recommendation of the Accountancy Diploma Board of the College to a candidate who has proved to the satisfaction of that Board.

(A) That he has passed (*i*) the examinations prescribed for the Degree of Bachelor of Commerce of the University of Bombay with Advanced Accounting and Auditing as his special subject, or (*ii*) the examination of the Accountancy Diploma Board in accordance with the Regulations laid down in paragraphs 2 to 11 ;

(B) That he has received adequate practical training in Accounts as prescribed in Regulation 12 ; and

(C) that he bears a good moral character, and has attained the age of 23.

A (*ii*) THE WRITTEN TEST.

2. The examination for the Diploma in Accountancy will be held on the first Monday in March every year, commencing from March 1916 in Bombay and in such other centres in the different provinces of India as may be selected in consultation with the Local Government.

3. Applications for admission to this examination must reach the Secretary to the Accountancy Diploma Board, Bombay, before the 31st December immediately preceding the date of the examination with a fee of Rs. 50 per candidate.

4. A candidate for admission to this examination must have passed the Matriculation Examination of an Indian University or the School Final Examination conducted by a Local Government or any other examination which, in the opinion of the Accountancy Diploma Board, is equivalent to these, and, subject to Regulations 5 and 6, must produce a certificate in the prescribed form from the head of an Institution recognized by the Accountancy Diploma Board that he has, subsequent to passing such an examination, studied for a period of two years at such an Institution.

5. A candidate, over 25 years of age, who has been employed in an office for not less than two years and produces a certificate from his employer to that effect shall be exempted from the production of a certificate of attendance at a recognized Institution; this exemption shall also be extended to a candidate who satisfies the Board that he has been in business on his own account for not less than two years.

6. Every holder of an auditor's certificate granted by a Local Government under the Indian Companies Act, 1913, shall be eligible for admission to the examination for the Diploma in Accountancy, even though he may not satisfy the conditions laid down in the previous two Regulations.

7. Candidates for this examination will be examined in the following two subjects:—

A.—ACCOUNTANCY AND AUDITING:

(1) The Principles and Practice of Book-keeping and Accounts including a knowledge of the systems of accounts in use in different classes of business.

(2) Auditing.

* *Books recommended*:

L. R. Dicksee's Advanced Accounting;
Spicer and Pegler's Book-keeping and Accounts;
L. R. Dicksee's Auditing;
Spicer and Pegler's Practical Auditing.

B.—MERCANTILE LAW;

The Indian Law relating to Contracts (*viz.*, the Indian Contract Act, 1872, Sections 1 to 9, Sections 59 to 61, Chap. VII and Chap. XI), Joint-stock Companies, Life Assurance Companies, Negotiable Instruments and Insolvency. Charter Parties, Bills of Lading, Fire and Marine Insurance. The main provisions of the Indian Stamp and Limitation Acts relating to the above.

* *Books recommended:* Smith's Mercantile Law, Vol. I.

* *These books are named as helpful to the students, but are not prescribed as obligatory.*

8. (*a*) Three papers of three hours each will be set in Accountancy and Auditing as detailed below:

1st Paper: General Accounts.
2nd Paper: Special accounts.
3rd Paper: Auditing.

(*b*) Three papers of three hours each will be set in Mercantile Law as detailed below:

1st Paper: Contracts and Negotiable Instruments.
2nd Paper: Company and Insolvency Law.
3rd Paper: Charter Parties, Bills of Lading and Insurance.

9. To pass the examination, a candidate must satisfy the Board that he possesses an adequate knowledge of each of the two subjects referred to in Regulation No. 7.

10. Failure to satisfy the Board will not disqualify the candidate from presenting himself at a subsequent examination on a new application being forwarded and a fresh fee paid.

11. As soon as practicable after the conclusion of the examination a list of the successful candidates will be published arranged in alphabetical order, such of them as have passed with Distinction being placed in the First Class.

B. PRACTICAL EXPERIENCE.

12. A candidate for the Diploma in Accountancy shall be equired to prove to the Accountancy Diploma Board that he has, one of the following two ways, acquired a practical experience of accounts, which, in the opinion of the Board, is adequate,

(*a*) that he has acted as auditor of Joint Stock Companies for a period of at least three years;

(*b*) that for a period of at least three years he has served as an articled clerk or assistant to a practising accountant who is a Chartered Accountant, an Incorporated Accountant or the holder of a permanent auditor's certificate under the Indian Companies Act,

1913; provided that the period of service required under a practising accountant shall be only two years in the case of Bachelors of Commerce of the University of Bombay who have passed with Advanced Accounting and Auditing as their special subject.

Recommendations for the issue by the Government of Bombay of AUDITORS' CERTIFICATES to holders of the Diploma in Accountancy.

That holders of the Diploma in Accountancy of the Government College of Commerce, Bombay, who are not Bachelors of Commerce of the University of Bombay, be recommended for a REGISTERED Auditor's certificate in the first instance, on their securing such Diploma and that, when they have, in the opinion of the Auditors' Council, acquired adequate practical experience of auditing the accounts of Joint Stock Companies for a further period of at least three years subsequent to their securing the Diploma in Accountancy, they be recommended for an UNREGISTERED AUDITOR'S certificate; but no person shall be recommended for such certificate unless, in the opinion of the Auditors' Council, he bears a good character.

The holders of the Diploma in Accountancy of the Government College of Commerce, Bombay, who are also Bachelors of Commerce of the University of Bombay, be granted an UNRESTRICTED Auditor's certificate, on their securing such Diploma.

From 5th July. 1915.

THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

K. SUBRAMANI AIYAR Esq., B. A., L. T., F. S. A. A.,
Secretary,
Accountancy Diploma Board,
BOMBAY.

Sir,

1. By directions of the Committee of this Chamber, I beg to send you herewith their opinion on the draft regulations for the

award of the Diploma in Accountancy as approved by the Accountancy Diploma Board and by the Auditors' Council, Bombay, sent along with your letter of the 4th May 1914 No. 126.

2. Regarding Rule No. 3, my Committee beg to suggest that the examination fee should be fixed at Rs. 25/- instead of Rs. 50/- which they think, is too high, for the class of examination that is to be instituted.

3. With regard to Rule No. 9 my Committee do not approve of the standard laid for passing the examinatiou that "a candidate must satisfy the Board that he possesses an adequate knowledge" etc., as such a standard would be, in their opinion, too vague and indefinite. Your Board are probably, aware that in all the examinations conducted by the University of Bombay, including also the professional examinations, a certain percentage of marks is laid down as the standard in all cases. My Committee do not see any valid reasons why this wholesome practice should be departed from, and beg, therefore, to suggest that 33 p.c. should be laid down as the percentage of marks required for passing in each individual paper, 45 p.c. for passing in total and 66 p.c. for passing with distinction.

4. These remarks should apply also to Rules No. 10 & 11.

5. As regards Rule No. 12 snb-section (b), my Committee beg to suggest that the period of service required under a practising accountant should be only two years in the case of Bachelors of Arts, law and science just as in the case of Bachelors of Commerce, as their gereral culture will enable them to master the tehnique in that time.

6. My Committee do not know whether auditors holding provisional certificates will be required to pass the examination of the Accountancy Diploma Board before they get a permanent certificate. As several of these provisional certificate holders are advanced in age and must have a fair knowledge and experience of the line, my Committee beg to hope that such provisional certificate holders as possess a fair knowledge and experience of the line, and as would not care to appear for an examination owing to their

advanced age, should not be required to appear at this examination but that exemption should be given to them. My Committee are anxious that the interests of these men should be safeguarded and that as far as possible their applications for permanent certificates should be favourably considered.

7. Regarding the "recommendations for the issue by the Government of Bombay of auditor's certificates", my Committee beg to urge that those who duly pass the examination and have shown a parctical experience as laid down in Rule No. 12 should be considered eligible for getting a restricted certificate automatically. They also beg to suggest that another examination with a higher syllabus, should be instituted, success at which should be considered sufficient for giving an unrestricted certificate. Those who hold restricted certificates may appear at this examination any time after they have got their certificates. Such a procedure will, by requiring a higher standard of examination fulfil the objects of the rules of the Government which have made a distinction between restricted and unrestricted certificates and will give facilities also to those desirous of getting unrestricted certificates. Such an examination must have as one of its subjects Life Insurance auditing.

8. With regard to the system of taking apprentices which will naturally come, now, in vogue, my Committee beg to suggest that practising accountants holding a permanent auditor's certificate under the Indian Companies Act, 1913, and Chartered and Incorporated Accountants should not be, for the purpose of this examination, allowed to have more than 4 apprentices at a time, as otherwise these apprentices will not be having adequate practical experience.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA,

Secretary.

Forwarded to the Indian Merchant's Chamber Bombay, with a request that the Managing Committee of the Chamber may be so good as to favour the Accountancy, Diploma Board with their remarks on the Draft Regulations before 30th June 1915.

Office of the Accountancy Diploma Board,
65 Apollo Street, Bombay.
May 1915.

K. SUBRAMANI AIYAR,
Secretary,
Accountancy Diploma Board.

No. 210.

Office of the Accountancy Diploma Board,
65, Appollo Street, Bombay.
7th August 1915

From

K. SUBRAMANI AIYAR Esq., B.A., I.T., F.S.A.A.,
Secretary, Accountancy Diploma Board,
Bombay.

To

The SECRETARY,
Indian Merchants' Chamber and Bureau,
Appolo Street, Bombay.

Sir,

I have the honor to thank your Committee for the instructive suggestions contained in your letter of the 5th ultimo regarding the draft regulations for the proposed Diploma in Accountancy.

2. The suggestions contained in your representation, as well as in certain other representations, that have been received by the Board, have been carefully considered at a meeting of this Board, and our draft regulations have been modified in several respects incorporating some of the suggestions received.

I beg the honor to be,
Sir,
Your most obedient servant,
K. S. AIYAR,
Secretary.

APPENDIX Y.

Tariff Valuation of Cotton goods.

(Refer to Pp. 266—67 of the Report for 1913-14.)

No. 6093 of 1915.

REVENUE DEPARTMENT.

Bombay Castle, 2nd June 1915.

From

J. A. POPE, Esq., I. C. S.,

Acting Under Secretary to the Government of Bombay.

To

THE SECRETARY,

Indian Merchants' Chamber and Bureau, Bombay.

SIR,

With reference to the correspondence ending with your letter dated 30th September 1914 to the Collector of Bombay, I am directed to state that the Government of India have now decided that the tariff values of cotton goods, fixed under section 7 of the Cotton Duties Act, 1896 (II of 1896), should in future be revised annually in the month of February instead of, as hitherto, in the month of December and that the revised rates should take effect from 1st March each year. The Government of India, however, reserve, as at present, the right to revise the valuations at any period in the event of a material fluctuation occurring in the price of cotton goods.

I have the honour to be,

Sir,

Your most obedient servant,

J. A. POPE,

Acting Under Secretary to Government.

APPENDIX Z.

Tariff Valuation.

(Refer to pages 257—263 of the Report for 1913-14).

R. S. R. No. 266 of 1914.

BOMBAY CUSTOM HOUSE,
Dated 24th November 1914.

From

R. F. L. WHITTY, ESQ., I.C.S.,
Collector of Customs,
BOMBAY

To

THE SECRETARY,
The Indian Merchants' Chamber and Bureau.
77-79 Apollo Street,
BOMBAY.

SIR,

With reference to your letter of the 2nd ultimo, I have the honour to inform you that the proposal of your Committee, that the wholesale unit in the case of inferior woollens and half woollen goods should be fixed at not less than one case or package, is accepted.

I have the honour to be,
Sir,
Your most obedient servant,
R. F. L. WHITTY,
Collector of Customs.

APPENDIX A-A.

Tobacco Trade Question.

Lalji Buildings, Crawford Market,
Bombay, 5th June 1915.

To

THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
77, Apollo Street,
BOMBAY.

DEAR SIR,

On behalf of the Association, I beg to state that the Chamber has tried much to impress upon the authorities for the transference of the new Tobacco godowns to the old ones at Clive Road but as yet no grievances have been redressed. So you will kindly request the Board of your Chamber at its next meeting to send a memorial to Government ventilating all the grievances and kindly getting them redressed as this Association cannot now tolerate the inconvenience caused by these unsuitable godowns and solely depends on the valuable help of your Chamber. You will therefore be gracious enough to request the Board to pay its early attention to this for which the Association will feel obliged.

A report of the latest accident has been sent to you on the 5th instant and copies of the correspondence that has passed between this Association and the Authorities have already been furnished you for your record with a view to prepare the memorial.

Yours faithfully,
MUNSHI S. E. KADIRI,
for Secretary.

Old Telephone Buildings, 19, Bank Street.
Bombay 12th August 1915.

From

THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

THE SECRETARY,
Revenue Department, Government of Bombay,
BOMBAY.

SIR!

1. By directions of the Committee of the Indian Merchants' Chamber and Bureau, I have the honour to submit, for the favourable consideration of Government, this representation of the grievances of Indian Merchants and others dealing in country tobacco in this city.

2. As Government are aware there is an organisation of traders in country tobacco which is called the Bombay Country Tobacco Trade Association. There are amongst its members both wholesale and retail merchants and others who carry on their avocation by holding licence. This association in its capacity as a member of this Chamber has requested my Committee to consider their many hardships and inconveniences which hamper not a little their legitimate trade and industry and my Committee beg to address Government as they are convinced that the grievances of this Association urgently need redress at the hands of Government.

3. On the 7th January of this year the Association addressed a letter to this Chamber complaining of the order of the Tobacco Department regarding the removal of tobacco warehouses from Clive Street to Custom House Road and requesting their help in bringing their complaints to the notice of Government. The chief grounds of the complaint were set forth in their petition to Mr. H. O. Quin, Commissioner of Customs, Salt and Opium dated the 3rd December 1914.

4. My Committee addressed a letter to the Collector of Bombay, drawing his attention to the order of the Tobacco Department under his charge, declaring that on and after 31st December 1914 no tobacco warehouses would be allowed in Clive Street and that the opium warehouses on Custom House Road had been taken over by Government from the Port Trust to be used as tobacco warehouses where all tobacco was directed to be removed. To this letter a reply was received to the effect that several points raised in the letter of the Committee were carefully considered by the Commissioner of Customs, Salt, Opium and Abkari and the Collector, before it was decided to remove the tobacco warehouses to the Custom House Road, and it was stated by the Collector that the New warehouse was a much better building and more commodious and that there was the great advantage of better administrative control.

5. The tobacco merchants and dealers, however, found the new warehouse thoroughly unsuitable for purposes of their trade and even though my Committee admit that the same may give the Collector "the overwhelming advantage of better administrative control," the inconvenience, monetary loss, and trouble caused to the trade by the very nature and condition of the new warehouse need careful and urgent attention.

6. My Committee thought it advisiable in the first place to ascertain the stability of the warehouse for the purpose it was intended. Permission was, therefore, asked of the Assistant Collector of Excise for the purpose of survey to be taken of both the old and new godowns by Mr. Chambers, Architect and Civil Engineer, which, however, was granted. A letter was then addressed to the Commissioner of Customs requesting permission to take measurements. The reply from the Commissioner to this is herewith annexed. It is a matter of regret to observe that this simple request was disallowed, for compliance with it would have greatly facilitated their task of explaining to Government with the help of figures all that the Tobacco merchants have to urge, in reference to the unsuitability of the premises, and the many inconveniences arising therefrom. As matters now

stand, my committee have to rely on the measurements furnished by the Tobacco Department. One important particular is omitted from these as they have tried to show below.

7. The Collector of Bombay sent figures relating to area and height of both the old and new godowns in his communication of the 5th April 1915. These figures relating to the New warehouses appear different in the light of the report of the Chief Engineer of the Bombay Port Trust who directs that "the upper floors of the New Tobacco warehouse should not be loaded to more than 140 lbs. per square foot, that the bales of tobacco each measuring $33'\text{-}6'' \times 3'\text{-}6''$ and weighing 720 lbs. should not therefore be stacked more than two bales." My Committee are informed that action has already been taken on this report and that bales are not allowed to be stacked on the upper floors more than two high, thus reducing seriously the total area and justifying the complaint of Tobacco merchants about a serious increase in rent. According to figures given by the Collector, the cubic contents would be 3,311,296 while with the limit on height imposed by the Chief Engineer, the cubic contents will be but 1,541,832.

8. The complaint of Tobacco merchants regarding the unsubstantial character of the New warehouse is substantiated by the notice issued by the Superintendent, Tobacco Department, on the 8th March 1915. My Committee beg in this connection to draw the attention of Government to several accidents which took place there, specially the accident which happened on the 4th June 1915 by a sudden snapping of the crane on the 3rd floor.

9. Correspondence has upto this time gone on between my Committee, the Bombay Country Tobacco Trade Association and the Tobacco Department, but apparently to no avail, for not a single grievance of the Tobacco merchants has been thus far removed. From the various appendicies herewith attached, specially the petition of the Bombay Country Tobacco Trade Association to the Commissioner of Customs, the representation of my Committee to

the same officer and a letter written on behalf of the Bombay Country Tabacco Trade Association to the Collector of Bombay by Messrs. Graigie Blunt & Caroe, Solicitors, it will be clear to Government that Tobacco merchants have during the past eight months been subjected to needless inconveniences, vexation and expense which might have been easily spared had the Collector, from the commencement, taken the dealers into his confidence, heard their objections as to the suitability of the new warehouse, and, by a sympathetic interchange of views, removed their objections.

10. In order to present a clear statement of all the grievances complained of my Committee beg to give below a summary of these and the grounds on which Tobacco merchants have protested against the change to the new warehouses.

(*a*) Warehouses required for tobacco have to be of very tall height in as much as not less than six to seven bales have to be stacked one over the other to get the goods ripened by a greater pressure (in this connection, attention of the Government is respectfully drawn to the report of a chemical expert). In the warehouse situated on Custom House Road the height is too small on upper floors where, as stated before, bales are ordered to be stacked not more than two high and is further reduced owing to the unsuitability of the building for tobacco godown purposes.

A long course of practice has shown that the correct pressure to ensure a proper fermentation is 3,936 pounds.

The old warehouse was of a sufficient height to allow of seven bales of tobacco each weighing 656 pounds, being stacked one upon the other, and the lowest bale received a pressure of 3,936 pounds.

The height of the godowns of the new warehouse is about 13 feet, where too the Report of the Port Trust Engineer allows of 2 bales only being stacked together, and the lowest bale therefore receives a pressure of 656 lbs. only which is known to be totally inadequate for the proper fermentation of Tobacco.

further in the old warehouse 14 bales could be stacked in two tiers of 7 bales each. while in the godowns of the new warehouse fourteen bales require 7 tiers of two bales each. of which 7 bales only are receiving pressure and an insufficient pressure too, and 7 bales do not receive any pressure at all and the process of fermentation is not assisted and therefore much delayed.

(*b*) The Custom House Road godowns are so very small in area that there is no room to turn over the bales which do require turning over often at slight intervals of time.

(*c*) At the Clive Road godowns there was sufficiently large open space near the warehouses where the Tobacco merchants were allowed to dry the damp tobacco and to clear the same. All these facilities are essential for the tobacco trade and yet are absent in the new warehouses.

(*d*) Tobacco is said to be very sensitive to saltish air which damages it and even burns it. The sea being very near the new warehouses there is the apprehension of the goods being damaged.

(*e*). In the New tobacco warehouse there are only two common entrances for carts while in case of the Old godwons they could freely go to each godown. While the Clive Road-the site of the Old godowns—was quite an unfrequented locality, the Custom House Road-the site of the new wherehouses—is a busy and congested thoroughfare, making it impossible for a large number of carts to stand on the road at a time.

(*f*) At the new wharehouse there are difficulties of labour and carriage of goods, and also labour charges for hauling up the goods on the two stories will be more.

(g) The removal of tobacco godowns is also greatly inconvenient and expensive because the localities where tobacco is most consumed will be at a great distance from their Fort godowns, which will also be distant from the Bunders and the termini of the Railways.

(h) Old wharehouses in Clive Street were used for the storage of tobacco for the past 50 years or so to the entire satisfaction of Government and Tobacco merchants and no valid reasons have been set forth for the change that has been effected.

(i) Each godown in the Old wherehouses could accommodate 1000 bales of 3 Bengali maunds each, whereas each godown in the new warehouses cannot accommodate more than 300 similar bales when fully loaded.

(j) Again the rent of a godown in the Old wharehouses was Rs. 108 per month in which 1000 bales could be accommodated at one time, while the rent of a godown in the new wherehouse ranges from Rs. 80 to Rs. 150 per month in which about 175 bales only can be accommodated at one time (when loaded upto 6 to 7 feet.)

Therefore to accommodate 1000 bales in the new warehouse the Tobacco merchants must pay anything from Rs. 450 to Rs. 750 a month to accommodate the same number of bales in a godown in the Old waerehouse. This heavy rental is naturally deemed by the Tobacco merchants as a great burden on the trade.

11. Having regard to the facts stated above my Committee respectfully pray to Government to be pleased to pass such orders as would, as soon as possible, remove the grievances and inconveniences from which the Tobacco merchants are at present suffering.

12. My Committee are confident that it could never be the intention of Government to hamper this indigenous industry, already

harassed by many petty rules and regulations which have been the subject of chronic complaint. Already the foreign tobacco has in no small degree prejudiced this indigenous industry and my Committee do not suppose that it could be the intention of Government by such means as are now ordered by the Collector to further prejudice in this native industry.

In concluding my Committee beg to observe that the chief grounds urged by the Collector are two :—(1) that the new warehouse is a much better building in every way and is more commodious; and (2) that in the opinion of the Collector the new warehouse has the overwhelming advantage of better administrative control. My Committee trust it may be clear to Government from what has been said above that the new wharehouse is anything but a better building for purposes of tobacco godowns and that as to its being more commodious than the old warehouse the figures given above and the restrictions imposed by the Chief Engineer, Port Trust, make any further remarks by this Committee unnecessary. As to (2) my Committee would not object to any measures taken for better administrative control of this industry but they venture to submit that the value of the advantage so offered by the new warehouse is reduced very much, when considered side by side with the fact that the very structure and construction of the new warehouse has defects of a nature that seriously hamper the very industry over which a better control is sought.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary.

APPENDIX A-B.

Interest for decrees of Small Causes Courts.

In connection with the representation sent by the Committee regarding interest on claims in the Small Causes Court Suits (*vide* P. 42 to 51 of the Report of the Chamber 1913-14) it is interesting to note the following announcement in the "Bombay Government Gazette" dated July 15th 1915.

"No. 1417—The Honourable the Chief Justice and Judges are pleased to direct that in column 2 of the Schedule appended to the Rules of Procedure and Practice of the Court of Small Causes of Bombay, framed by the High Court under the Presidency Small Cause Courts Act, 1882 and 1885, and notified at pages 592 to 603 of the "Bombay Government Gazette" for 1909, Part 1, for the entry "s. 34 omit." substitute "s. 34. where and in so far" as the decree is for the payment of money not less than Rs. 1,000.

APPENDIX A-C.

Redirection of Telegrams.

THE SOUTHERN INDIA CHAMBER OF COMMERCE.

Indian Chamber Biulding,

Madras, 2nd July 1915.

No. 109.

THE SECRETARY

Indian Merchants Chamber and Bureau,

BOMBAY.

DEAR SIR,

I am to invite your attention to Rule 86 of the Rules for Inland Telegrams, published in the Indian Telegraph Guide, regarding the charges for redirection of telegrams. It has been pointed out to this Chamber that the levy of the full Inland rate for redirection is not justifiable. Considering that in the very few cases where re-

direction may become necessary the circumstance may be such as to render such redirection a matter of urgency, it is contended that while the receipts on account of charges for redirection may be inappreciable, the advantage to those who use the telegraph is bound to be great by making redirection free. I am to invite an expression of the opinion of your Chamber on the matter.

Yours faithfully,

P. E. MUTHUSWAMI NAIDU,

Secretary.

19, Bank Street, Old Telephone Buildings,

Bombay, 11th August 1915.

To

THE SECRETARY,

The Southern India Chamber of Commerce,

Indian Chamber Buildings,

MADRAS.

DEAR SIR

With reference to your letter No. 109 dated the 2nd July 1915, I am directed by my Committee to inform you that they agree with you in thinking that the levy of the full Inland rate for redirection of telegrams is not justifiable, and they further think that such charges should be abolished to popularise telegraph service.

Yours faithfully,

J. K. MEHTA,

Secretary.

Bombay, 23rd October 1914.

From

THE SECRETARY,
The Indian Merchants' Chamber and Bureau.

To

C. W. A. Turner, Esquire, I.C.S.,
Under Secretary to the Government of Bombay,
Revenue Department.
BOMBAY.

Sir,

With reference to your letter of the 18th September 1914 No. 8794 of 1914 I beg to inform you that Mr. Purshottamdas Thakoredas will represent this Chamber at the Conference to be held next cold weather to discuss the proposed legislation regulating the use of the term "Bank" or "Banker" or its equivalent.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary.

No. 10438 of 1914.

REVENUE DEPARTMENT,
Bombay Castle, 29th October 1914

From

C. W. A. TURNER, ESQUIRE, I.C.S.,
Under Secretary to the Government of Bombay.

To

The Secretary, Indian Merchants' Chamber and Bureau,
BOMBAY.

Sir,

With reference to the last sentence of my letter No. 8794, dated 18th September 1914, I am directed to inquire whether Monday the 30th November 1914 will suit the representative of your Chamber

for the conference to be held by the Hon. Sir Richard Lamb, K.C.S.I., C.I.S., I.C.S., to discuss the various aspects of the proposed legislation for the control of banks in India.

I have the honour to be,
Sir,
Your most obedient servant,
C. W. A. TURNER,
Under Secretary to Government.

Bombay, 3rd November 1914.

From

THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

C. W. A. TURNER, ESQUIRE, I. C. S.,
Under Secretary to the Government of Bombay.
Revenue Department.
BOMBAY.

Sir,

With reference to your letter of the 29th October 1914 No. 10438 of 1914 I am directed to inform you that Monday the 30th November 1914 will suit the representative of this Chamber for the conference to be held by the Hon'ble Sir Richard Lamb, K. C. S. I., C. I. E., I. C. S., to discuss the various aspects of the proposed legislation for the control of Banks in India.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary.

APPENDIX A-B.

10 and 50 Rupee Notes.

3, Forbes Street, Fort,
Bombay, 12th August 1915.

From

JUGMOHANDAS DAMODERDAS,
Cashier, Messrs. David Sassoon & Co., Ltd.,

To

THE SECRETARIES :—
The Chamber of Commerce,
The Indian Merchants' Chamber and Bureau.
BOMBAY.

Sir,

It is probable that you may have had the pleasure of following the correspondence that appeared from time to time in the local papers suggesting the advisability of changing the design of 10 and 50 rupees notes. I have so far been consulting with a few of my friends and acquaintances re their opinion as to approaching the Finance Secretary to the Government of India in the matter. Meanwhile I am informed that Messrs. Bhupatri, Barbhaya & Co., have already put the matter before your goodselves with a request to approach the higher authorities and I therefore pray your Committee to give their best attention to this. If due enquiries be made with the Cashiers of leading Firms and Banks, especially the latter, I am sure the majority will give an opinion that they, many a time, commit mistakes and accept ten rupee notes for 50 rupees out of a bundle, though they have the opportunity of handling notes in heaps.

It is most likely that illiterate people, who are mostly poor, stand to lose through this system, and it is more advantageous for the rich to deceive them

Under the circumstances and having sympathy with the poor rather than the rich; who can afford to face very honourably, I need hardly impress upon you the necessity of bringing proper measures to bear upon and I for one would sincerely request you on behalf of many others to kindly take this matter up for the sheer advantage of the public at large at least–especially the poor–and thus relieve them out of the difficulty.

Yours faithfully,
JAGMOHANDAS DAMODERDAS.

Bombay, 10th August 1915.

To

THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

DEAR SIR,

We beg your attention to the enclosed copies of correspondences appeared in the local Times of India of the 22nd and 24th June; and the remark of the Gujrati on the same, and we shall feel much obliged if you will kindly put the matter before your committee in order to approach the authorities on the subject. The correspondence speak the importance of the thing itself, and hence we need not add the same here, and we believe your committee will pay its best attention to this matter of vital importance of public good.

Yours faithfully
BHUPATRAI BARBHAYA & Co.

CURRENCY NOTES.

TO THE EDITOR OF THE TIMES OF INDIA.

SIR,—The Indian public at large has heard with great satisfaction the news that the Finance member has decided to issue brand new notes in lieu of the old ones received by the Currency Office, which are to be destroyed. When such is the case, may I request to point out to the Currency Department, that the public will be

obliged if they will make a little difference in the figures of the fifty rupees notes. Formerly, when large figures of 50 and 10 were marked on the bottom of these notes, the difference in the sum was decernible at once. Under the circumstances, I believe that if old method is adopted or a different colour for the number and figure is used, they can be deciphered at once.

JEIKISON BARBHAYA.

June 21. 1915.

CURRENCY NOTES.

To the Editor of the Times of India.

Sir,—With reference to the correspondence of Mr. Jeikison Barbhaya on Government Currency Notes which appeared in your issue of the 23rd instant, I beg to say that the writer's suggestions are quite right and it is hoped that in order to facilitate the public at large the Currency Office authorities will pay their best attention to the same. From my personal experience I can say that the current notes are more misleading than the former with big figures on the bottom of each 10 and 50 rupees notes, and unless a minute attention is paid there is every possibility that a note or two of rupees fifty may pass as of rupees ten along with a bundle of ten rupees note. I know that many a time such mistakes have happened and the Currency Authorities will surely receive a blessing by making the changes as suggested by your said writer.

JAGMOHANDAS DAMODERDAS.

Bombay, 24th June, 1915.

Sandhurst Road, Girgaon,
Bombay, 22nd August 1915.

The Secretary
The Indian Merchants' Chamber and Bureau,
Bombay.

Dear Sir,

The Hindi language is regarded as the National language of India. Government Currency Notes formerly bore Hindi letters and figures to denote the value of the same but since universal notes

have been introduced some other languages found place in the body of the notes, and that unfortunately Hindi has been taken out. Will you kindly make this suggestion to your Committee when they address to Government on the question of G. C. Notes and oblige?

Yours faithfully,
VALLABHNARAIN DANI.

19, Bank street,
Old Telephone Buildings,
9th September 1915.

From

THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To.

THE CONTROLLER OF CURRENCY,
Government of India,
CALCUTTA.

Sir,

Under direction of the Committee of this Chamber, I beg to draw your attention to the extreme similarity in form and design between the 10 and 50 Rupee notes. Such a similarity is likely to create confusion among the masses of the population who, as you are aware, are not able to see any distinction between one description of note and another.

My Committee beg to point out that the dissimilarity in general design which existed between the 10 and 50 Rupee notes under the old system was exceedingly protective against any possibilities of deception. The most unintelligent was able to distinguish one from the other at a glance, which, it is to be feared, is not the case in the new ones. It is exceedingly probable that the popularity of notes, which Government so properly aims at enhancing, will greatly suffer

in consequence. Under the circumstances, my Committee respectfully beg to suggest that the old form and design may be maintained or, if that be not possible, some other design for the two notes may be adopted, which will, at a glance, be recognised and therefore be preventible of deception.

Further, the attention of my Committee has been drawn to the fact of the omission of the Hindi character from among the new characters in which the notes are printed since the date of the universalisation of notes. Though the Committee are glad to notice the increase in the number of characters in which the notes are printed, they consider that Hindi is such a *Lingua Franca* all over the country that its omission is regrettable. The Committee, however, presume that Government must have some strong reasons for the omission and they shall feel obliged if you will kindly enlighten them as to the reason for that omission and the principle which has guided the printing of new notes in eight characters.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

APPENDIX A-F.

Congratulations to Members of Government.

To

HON'BLE SIR WILLIAM MEYEE, K.C.I.E.,
Finance Minister,
SIMLA.

Committee of Indian Merchants' Chamber and Bureau offer their hearty congratulations on high distinction conferred on you, Fazulbhoy Currimbhoy Ibrahim Chairman.

To

HON'BLE SIR W. H. CLARK., C. S. I.,
Member of Commerce and Industry,
SIMLA.

Committee of Indian Merchants' Chamber and Bureau offer their hearty congratulations on high distinction conferred on you. Fazulbhoy Currimbhoy Ibrahim Chairman.

APPENDIX A-G.

Payments of Coast-Light Dues.

Karachi 27th February 1915.

No. 288 738.

From

THE HONORARY SECRETARY,
Indian Merchants' Association,
KARACHI.

To

THE SECRETARY,
Indian Merchants' Chamber and Bureau,
BOMBAY.

SIR,

I have the honor to enclose herewith a printed Copy of opinion my Committee submitted to the Bombay Government through the Commissioner in Sind. Karachi, on the subject of levy of sea-dues on Sind-Coast-Light and request the favour of your Committee as well as of those representing the Chamber on the Legislative Council to be so good as to give their hearty support to the opinion of my Committee.

I have the honor to be,
Sir,

Encs. 2.

Your most obedient servant.
RAMJI PETHABHAI
Honorary Secretary, Karachi Indian Merchants' Association

No. 288/738 Karachi, 11th February 1915.

From

THE CHAIRMAN,

Indian Merchants' Association,

KARACHI.

To

The Commissioner in Sind,

KARACHI.

SIR,

With reference to your letter No. M-19, Marine Department, dated the 27th January 1915, forwarding a copy of the Bombay Government Gazette part VII, dated the 16th January 1915, containing the report of the Select Committee appointed to consider Bill No. VI of 1914, and the Bill as amended by them, for an expression of opinion of the Karachi Indian Merchants' Association, I have the honour to state as follows:—

The Association have, in their No. 454-279, dated 14th September 1913, to the Commissioner-in-Sind, expressed in general terms, their opinion on the said Bill. In view of the fact that the Select Committee have practically made no change in the original Bill, the Association beg leave to take this opportunity of supplementing their original opinion by the following additional facts and reasons in favour of amending the Bill, in the interests of the country craft plying between Karachi and Cutch-Kathiawar Gujrat ports, on the lines already suggested by the Association.

1. The tonnage of over 60% of these country craft ranges between 40 to 80 tons.

2. Many of these sailing vessels are owned by the crew class themselves, who ply them for a living which is, in almost all cases, from hand to mouth. The ever growing cost of living, coupled with the fact that keen competition leaves them no option, but to charge

very low freight, rarely, if ever, makes it possible for these people to lay by for a rainy day. As a rule, these people. who have no other source of income. eke out a bare subsistence, and, when marriage or death occurs in their families, have to and do incur debts at high rates of interest.

3. These vessels belonging to the Cutch-Kathiawar and Gujrat ports, unladen come down to Karachi for carrying from here necessaries of life and fodder for the people and animals living in places round about these ports. These vessels get freight mostly from one side only, and, that too, at a very low rate in view of the keen competition from steam vessels touching these ports.

4. The cost of the upkeep of these sailing vessels, as experience shows, in proportion to the freight they get, is heavy when compared with that incurred by the country boats of higher tonnage (from hundred to over two hundred tons) which ply between Karachi on the one hand and Persian Gulf, Malabar, Mackla, Aden, Zanzibar, and other ports on the other, and obtain better freights, not for one side, but for both sides.

5. The small country vessels plying between Karachi and Cutch-Kathiawar Gujrat ports arrive at and clear out of the Port of Karachi almost every month ; while the big coasting boats referred to above arrive at or clear out of the port of Karachi (or, for the matter of that, any port within the province of Sind) almost every three months and, in some cases, annually or even longer.

As a consequence thereof, the big coasting boats, while earning by far higher freight, have, in practice, to pay coast-light dues less than those to be paid by the small boats.

From the foregoing presentment of facts and reasons, it is plain that the levy of coast light dues, as contemplated under clause 3 of the Bill, will operate very harshly upon the poor owners of the small country vessels of the carrying capacity of between 45 and 80 tons.

My Association therefore respectfully urge that Government will (should the exemption from payment of coast-light dues be considered

impracticable in the case of all country sailing vessels) be so good as to at least raise the Minimum tonnage liable, under clause 3 of the Bill, to the charge of coast-light dues from 45 to 80 tons, and, in the case of sailing vessels of higher tonnage, reduce the rate from ½ to ⅓ of that chargeable to the steam vessels.

The Association earnestly trust that their representation will receive favourable consideration at the hands of Government.

I have the honour to be,
Sir,
Your most obedient servant,
GIDUMAL LEKHRAJ,
Chairman.

Forwarded to_____

_____with compliments of the Committee.

KARACHI. RAMJEE PETHABHAI.
Dated 26th February 1915. Honorary Secretary.

10th March 1915.

From
THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To
THE HONORARY SECRETARY,
Indian Merchants' Association,
KARACHI.

DEAR SIR,

With reference to your letter of the 27th February 1915 No. 288/738. I am asked by my Committee to inform you that they are sorry that they cannot give their opinion on the question referred to therein, which is a purely local question. They think that it may well be referred to the representatives of Sindh on the Bombay Legislative Council.

Yours faithfully,
J. K. MEHTA,
Secretary

APPENDIX AH.

Cotton Fires Committee.

No. 8523 A.

GENERAL DEPARTMENT,

Bombay Castle, 23rd October, 1914.

From

J. L. RIEU, ESQUIRE, I.C.S.,

Secretary to Government;

To

THE SECRETARY,

Indian Merchants' Chamber and Bureau,

BOMBAY.

SIR,

I am directed to forward herewith, for information of the Chamber, a copy of Government Resolution, General Department, No. 8523, of this date, on the report of the Committee appointed to enquire into the cause of the recent fires on the Cotton Green.

I have the honour to be,

Sir,

Your most obedient servant,

J. L. RIEU,

Secretary to Government.

COTTON FIRES.

Report of the Committee appointed to enquire into the causes of the recent fires on the Cotton Green.

No. 8523.

GENERAL DEPARTMENT.

Bombay Castle, 23rd October, 1914.

Read Government Resolution No. 2826, dated the 13th April, 1914—

Appointing a Committee under the Chairmanship of the Commissioner of Police, Bombay, to enquire into the causes of the outbreaks of fire on the Cotton Green and to consider and recommend what preventive and protective measures should be adopted to guard against such outbreaks in future.

Letter from the Commissioner of Police and Chairman of the Committee referred to above, dated the 7th August, 1914—

Submitting the report called for, paragraph II of which briefly summarises the Committee's suggestions for preventive and precautionary action as follows :—

(i) The removal of the Cotton Green from Colaba to some more spacious, better arranged, better drained and more remote site.

(ii) The restriction of the height of cotton stacks, with proper alleys, lanes or roads between the various stacks and jathas.

(iii) The storage of cotton in godowns which are properly built.

(iv) The organization and maintenance by the cotton merchants and Insurance Companies jointly of a better staff for guarding the Green.

(v) The provision of an adequate number of hydrants and full pressure of water throughout the 24 hours.

(vi) Efforts by Insurance Companies to safeguard as closely as possible their own interests after a fire has occurred.

(vii) The institution of a tribunal or court of enquiry of the nature referred to in the preceding paragraph.

RESOLUTION.—His Excellency the Governor in Council desires to express his acknowledgments to the Chairman and Members of the Committee, both collectively and individually for their labours in connexion with this enquiry and for the interesting and useful report in which they have presented their conclusions. Special recognition is due to the assistance rendered by Captain Higham, Dr. Mann and Mr. Turner in undertaking a series of experiments and observations with regard to the combustible character of baled cotton.

2. The Governor in Council has no hesitation in accepting the conclusion arrived at by the Committee that the unprecedented series of cotton fires which occurred in the course of last hot weather was due to wilful and fraudulent incendiarism, the motive for which is to be found in the exceptional conditions which characterized the cotton market during that season. It is not altogether a matter for surprise that, in the absence of a definite clue the Committee should have found itself unable to determine upon which of the several classes which stood to benefit by the destruction of large stocks of cotton the culpability for these conflagrations lay. This failure, regrettable as it is from the point of view of the vindication of public and commercial morality, has not precluded the Committee from advancing a number of useful and practical recommendations. The adoption of these recommendations is well calculated, Government think, to prevent the perpetration of similar acts of incendiarism in the future and thereby to save the cotton trade of the city from being subjected to the disability of excessive insurance rates or even exposed to the danger of total dislocation by the refusal of the insurance offices to accept risks under any conditions.

3. With regard to the provision of temporary accomodation pending the completion of the Sewri Reclamation, Government are aware that the Port Trust are making arrangements, at a cost of approximately three lakhs, to lay out a suitable storage ground near the reclamation. This, in conjunction with the existing Cotton Green, will admit of even a large crop being stored in conditions which will not reproduce the dangerous features which characterized he storing of last year's crop.

4. It is understood that the Insurance Companies have already taken action, by the imposition of almost prohibitive rates where these precautions are not observed, to compel the restriction of the height of stacks of bales and the provision of a liberal allowance of space between adjoining stacks. The provision of the additional storage area referred to above will facilitate the adoption of these very necessary safeguards.

5. Government specially commend to the notice of Chamber of Commerce, the Indian Merchants' Chamber and Bureau, the Cotton Trades Association and the Bombay Fire Insurance Association the recommendations of the Committee to the effect that the cotton merchants and the Insurance Companies should combine to organize and maintain an efficient and trustworthy staff for the protection of the cotton stocks in which they are interested, and that the latter bodies should in future take more effective steps to defend their interests against extortionate or fraudulent claims. They have no doubt that the further recommendation of the Committee as to the provision of an adequate number of hydrants and the maintenance of a full pressure of water in connexion with the areas where cotton is stacked will occupy the attention of the Municipality when the completion of the duplication of the Tansa main renders this improvement practicable.

6. The Committee's final recommendation relates to the constitution of a special authority legally empowered to conduct enquiries into all fires occurring in Bombay which involve injury or loss of property. Government are not in a position at the present moment to pass orders with regard to this important proposal, but it will receive their careful consideration.

J. L. RIEU,
Secretary to Government.

APPENDIX AI.

Depreciation in Government Securities.

UNITED PROVINCES CHAMBER OF COMMERCE.

No. 1822.

Cawnpore, Dated 16th August 1915.

To

THE SECRETARY,

Indian Merchants' Chamber and Bereau, Bombay.

DEAR SIR,

I am sending you printed copies of two letters received from a member of this Chamber on the subject of Depreciation in Government Securities and shall be obliged if you will favour me with the views of the Committee of your Chamber regarding the principle advocated in the letters referred to namely whether it is desirable that Government should be approached to take steps to prevent the undue depreciation of old Government securities.

I have the honour to be,

Sir,

Your most obedient servant,

Joint Secretary.

THE OUDH COMMERCIAL BANK Ltd.

Fyzabad, 21st July, 1915.

To

THE SECRETARY,

United Provinces Chamber of Commerce,

CAWNPORE.

DEAR SIR,

In introducing the new 4½ per cent. War Loan Bill in the House of Commons on the 21st June Mr. McKenna, the new Chancellor of the Exchequer, said that when the Old War Loan was floated many persons in whom the business faculty was perhaps over-developed hesitated with the idea that if they waited a little there would be another issue at a higher rate of interest and that they could do just as much service to their country by lending the money when it was next wanted. The Cabinet took these factors into consideration

when framing the conditions of the New War Loan and they have knocked the ground off the argument for waiting by embodying a guarantee for participation of further benefits in the term of the New Loan. The Cabinet have gone further, and, realising that a natural result of the issue of this Loan would be to depreciate the price of other British fixed interest bearing securities, they have offered to convert the old securities into the new loan.

2. According to Government regulations, the minimum rate for Consols is 66 2/3. If this restriction were removed they would fall many points below. Calculating at this rate, investments in Consols yield £3—7s. per £.100. Who would then invest money in Consol when he can earn 4½ per cent. in the New War Loan? Private holdings of Consols are estimated at about £ 400,000,000. The ruin and bankruptcy which a heavy sudden drop in Consols would have entailed would thus be immense. But the Government's wise action has prevented such a financial disaster. Old stock and annuities are made convertible into the New War Loan at market price which is fixed as follows:—

2½ per cent. Consols	...	...	66 2/3
2½ per cent. Annuities	...	...	66¼
9¾ per cent. Annuities	...	...	74 2/3
4 per cent. Old War Loan...		...	95 (the price of issue.)

3. In making the aforesaid concession the British Exchequer has undertaken a liability for about £ 3,500,000 per year on account of extra interest, if all the holders came forward and qualified themselves for conversion. The precise extent of the liability thus undertaken is not known. It would, of course, depend on how many agreed to convert. But the Government has thought it much better to agree to saddle the Exchequer with such a large sum rather than allow, in these days of depressed and uneven trade conditions, the old securities to rapidly depreciate in value and further disorganise the money market.

4. It is said that the New War Loan would soon be issued in India. But whether it is so issued or not, the Indian people are sure to buy this stock freely. If they cannot get it in India, they would buy through their London agents. May I, therefore, bring to the notice of your Committee the probable effect of this new 4½ per cent floatation in England, as well as of the issue of 4½ crores of 4 per cent loan in India, on the old Indian Government paper. 3½ per cent G. P. Notes stood at 96 when the War broke out. To-day they are quoted at 90, though the sales are sometimes actually made at much less. The floatation of the new War Loan will bring down these rates still lower. It is believed that the 3½ per cent. paper may drop to about 78. There are at the present time about Rs. 1,38,00,00,000 worth 3½ per cent. and about Rs. 8,45,00,000 worth 3 per cent. Indian Government paper in floatation. If the value of this class of security depreciates, as it is expected to do, by about 18 per cent. the total depreciation would come to about Rs. 25,00,00,000.

5. In India, Banks hold very large quantities of Government paper. The reserves of many of them are held entirely in G. P. Notes. The Alliance Bank of Simla Limited holds something about Rs. 57,00,000 worth 3½ per cent. G. P. Notes. The Allahabad Bank is also believed to have about 55 to 60 lakhs of G. P. Notes in its possession. Hitherto, these Notes were reckoned at a market value of 96. A sudden drop of 18 per cent would make it necessary for the banks to write off large amounts by way of depreciation in value. I am afraid in the present critical condition of the money market in India, they can not afford to withstand such a heavy drop without a very severe strain on themselves. Apart from this, if once the Government paper is allowed to decline so rapidly, people's confidence in this class of security may be shaken and it may possibly become difficult to sell the G. P. Notes freely in the market in future

6. In England, the Government has thought it better to put the national Exchequer to a large extra expenditure rather than allow the value of old securities to drop. And I think the Government of

India would only be doing an act of justice if they could see their way to enhance the rate of 3½ per cent. and 3½ per cent. Government Promissory Notes, for a period of at least 8 years (for which the new 4 per cent. loan is floated in India) to at least 4 per cent. and 3 per cent. respectively. The extra expenditure thus involved, *viz.*, about 73 lakhs a year, is very insignificant compared with the stability thereby imparted to the Indian money market and the continuance of peoples faith in this class of investments unshaken.

7. If these views commend themselves to the members of your Committee, I hope you will be pleased to address the Government of India on this subject.

Yours Faithfully,
ALAKH DHARI,
Manager.

THE OUDH COMMERCIAL BANK LTD.,
Fyzabad, 30th July, 1915.

To
THE SECRETARY,
United Provinces Chamber of Commerce,
CAWNPORE.

DEAR SIR,

In my communication of the 21st instant, I presented to you some of the reasons why, in my opinion, the Government of India ought to be approached, in view of the present extraordinary conditions of the money market, with a request to help in preventing the depreciation of 3½ per cent. G. P. Notes by temporarily raising the rate of interest thereon. On further consideration of the subject I think that the adoption of such course by the Government would be advisable in their own interests.

2. The Public Works capital expenditure in India was hitherto met from borrowings made by the Government partly in England and partly in India. In former years the London money market played a prominent part in the floatation of Indian Loans as money could be raised there on cheaper rates of interest. But the Fowler's Indian Currency Committee of 1898 recommended that the Indian Government should restrict the growth of its gold obligations, and, in view of the advantages of internal over external debt, the Gov-

ernment should raise in India as large a part as possible of the sums which they require to borrow each year. Apart from this consideration, other factors have been at work to detract from the importance of the London money market for the purposes of raising Indian loans. Sir Lionel Abrahams, Assistant Under Secretary of State for India, referring to this in the course of his oral evidence before the Royal Commission on Indian Finance and Currency (1914), said that owing to spread of rumours of growing unrest in India it had in recent times been becoming more difficult, year by year, to issue Indian loans on favourable terms in England. Thus in 1912, the 3½ per cent. Indian rupee loan for Rs. 3,00,00,000 was issued at an average price of Rs. 96⅛, whereas the 3½ per cent. Indian sterling loan for £3,000,000, issued in England, had to be underwritten at 93.

3. These considerations, together with the drain and tightness of money occasioned by the War would render it exceedingly difficult for the Indian Government to raise any money in England so long as the War lasts and for many years afterwards. There is no chance of the War terminating soon. In fact, the recent utterances of Mr. Asquith, Lord Kitchener and Mr. Lloyd George give indication of a likelihood of the War lasting a year longer. Whether such impressions are created among the people with the object of rousing the British public and firing them with a resoluteness to pour in all their resources into the New War Loan and devote all their energies in manufacturing munitions, or whether the situation is really as grave as it is portrayed, it is difficult for me to say. But costing, as the war does, about £ 3,000,000 a day, if it continues, it will soon become necessary for England to raise fresh loans. The national indebtedness of England at the end of March 1915 was £ 1,161,951,702. To this must be added £ 600,000,000 raised since then at 4½ per cent. and other short-dated Treasury Bills. The total indebtedness would come to very nearly two thousand millions. Never before, in the annals of England, had her national debt reached the limit of even one thousand millions.

4. In the beginning of the last century when England was at war with Napoleon Bonaparte, and her credit stood at a low ebb, British Government could borrow money at 4 per cent and under.

The floatation of the new War Loans at 4½ per cent and the holding of a representative Conference of the employers of labour in the United Kingdom (called by the Chancellor of Exchequer) at the Treasury on the 24th June 1915 to explain the methods of subscription to wage earning classes and win their sympathy and support clearly show that there is a great scarcity of money in the European money markets at present. As the Chancellor remarked to the labour representatives, England's part in the war is pre-eminently a financial part. Not only has she to find money to raise, equip, transport and maintain her own armies and navy—heavy as this expenditure is—but she has to supply funds to her Allies also in order to enable them to throw the whole of their resources in men and munitions into the war. Unless, therefore, money comes forward in sufficient volumes to enable England to play its part well, no reasonable man can venture to be sure of the issue.

5. Quite apart from the aforesaid circumstances, the Royal Commission on Indian Finance and Currency (1914) viewed with disfavour the attitude of the Government of India in the matter of raising loans for India in England. Sir Guy Fleetwood Wilson (late Finance Member of the Government of India) stated in his evidence before the Commission that he had deliberately pursued a cautious policy in framing estimates of the amount that could be raised by loans in India. The Royal Commissioners thought that this sort of caution was open to criticism in view of the fact that at the moment Government pay less for their borrowings in India than for what they raise in London and they considered it more advantageous for the Government to raise as much money in the Indian money market as they can and to avoid incurring heavy external debts.

6. All the above mentioned facts tend to show that, as years roll on, the Government of India will have to depend more and more on the Indian money market for its borrowings. And it is in the natural fitness of things that it should be so. The national wealth of the country is increasing in proportion to the expansion of

her agriculture, industries and trade and it is but fair for the Government to afford people opportunities for a profitable investment of this new wealth in Government securities.

7. The Government have adopted an ambitious programme of railway expansion and for construction of large irrigation projects. The money invested therein brings in handsome returns on its own account besides helping the general agricultural development of the country and it is very desirable, in the interests of the country's progress and prosperity, that there should be no curtailment in the Government of India's Public Works expenditure.

8. In view of these factors it is necessary for the Government of India not only to maintain their own credit in the money market but also to see that the Presidency and other Joint-Stock banks, whose fates and credit are inextricably interwoven with that of the Government, are run on sound business lines and command confidence. Now, there is no doubt of it that owing to a variety of circumstances the credit of the Government has fallen of late. The withdrawal of deposits from the post office savings banks and the depreciation in the market value of the G. P. Notes are two sure signs of such fall. The same fate has over-reached the Joint-Stock banks also. Many of them have had great runs on them and had to pass many a day of anxiety and concern. Several succumbed to the crisis; those that have survived are not in very flourishing conditions.

9. The Government feels the situation and recognises the necessity of offering additional inducements to the people in order to make fresh borrowings successful. The floatation of the new terminable loan for 4½ crores at 4 per cent and the offering of extra facilities in the way of making subscriptions thereto payable in all post offices and branches of the three Presidency Banks are clear indications of the existence of such feelings. There is no doubt of it that the Indian finance still command a great degree of confidence and it has not been found necessary to offer the same price for the new Indian loan as the Chancellor of Exchequer had to offer in

England. But if the present tendency to tightness in the money market continues to increase it is possible that the Government may not be able to raise more money at this rate even and a higher rate may have to be paid. The inevitable result of the new floatation at higher rates will be to depreciate the value of old securities. The magnitude of the depreciation will be in proportion to the enhancement in rate of interest on new loans. The new issue at 4 per cent. is likely to drop the 3½ per cent. securities to about 87½. The depreciation will become greater if a further issue is made at 4¼ per cent. or 4½ per cent.

10. The volume of 3½ per cent. paper in floatation is very heavy, being nearly Rs. 1,38,00,00,000. Any substantial depreciation in value thereof will not only be attended with great loss to its holders but would also be productive of a feeling of panic and general alarm in the Indian money market. The spread of such feelings would adversely influence further borrowing in India. The financiers of England anticipated these contingencies and have provided against them by the system of conversions of old stocks into the new one. The object aimed at in making this offer is evidently to arrest the fall of old paper and thus prevent disorganisation of the money market.

11. In order to maintain equilibruim in the Indian money market, and sustain people's confidence in stability of the value of Government Promissory Notes, it is, in my opinion, indispensible that the fall in the value of Government paper should be arrested. There are two ways of achieving this end:—

(*a*) Arbitrary fixation of the market value of G. P. Notes, for a certain period, by means of legislation.

(*b*) Grant of some extra interest on old notes for a temporary period.

12. The first course is a palliative measure. It conforms with the measures adopted in England at different times to prevent abnormal drops in value, but it is a notorious fact that such artificial bulwarks do not go to the root of the evil nor have they been very

much successful in upholding the legal value. The actual value of the security remains at its real price. While private individuals are free to transact dealings at the real price, and get over the penal provisions of law by showing the legal value on paper, the Banks and other public institutions (whose accounts are subject to public audit) have to suffer a great deal on some arbitrary fixation of value for a given period, such a measure should be accompanied by a guarantee to relief to Banks and other public institutions in times of need. The relief may take the shape of a promise of advance (through the Presidency Bank and at the Bank rate of interest) upto the legal value of securities. Such legislation will, it is expected, have force for the period of the war. But there is no probability of the money market returning to its normal condition for many years afterwards. So long as the newly issued huge floatations of 4 per cent. and 4½ per cent. remain on the market and the people have sense enough to study the comparative profitableness of the different classes of securities, the old and lower interest bearing securities will always stand at a proportionate rate of discount.

13. The second course suggested above is really sound and practicable. It is no doubt open to the objection that it involves the Government into an extra expenditure of about 70 lakhs a year for a period of about 8 years. But I think such expenditure may well be incurred in view of the tone of stability that it will impart to the money market as a whole. The 3½ per cent. paper is mostly held in India and the relief granted will come back to the tax-payers themselves. The effect of the relief will not be any the less, even if the Banks and other public institutions derive the main advantage, for these institutions belong to large numbers of private individuals of all classes and creeds and, in essence, represent true democratic capital and the national savings of the country. From these standpoints, an extra expenditure of about 70 lakhs a year is immaterial when compared with the advantages gained. It will help to maintain the position of Joint-Stock banks and preserve the equilibrium of the money market in India. It will be advantageous to the Government in so far that it will keep in tact people's faith in Government's

solitute for the prosperity of the people. If ever the notion gets abroad, that in moments of financial stress, the Government does not scruple to leave old stock holders in the lurch, the peoples' anxiety to invest in Government stock may disappear and adversely influence new floatations. The British Exchequer fully realised this point when it undertook an extra obligation of £3,500,000 a year rather than put vast numbers of old stock-holders to loss due to conditions for which they are in no way to blame. It is exceedingly important to retain people's faith in the intentions of the Government to look after and protect the interests of its stock-holders for the success of fresh borrowings.

14. I commend these ideas to your favourable consideration and hope that, in view of its great importance, your Committee will kindly see their way to address the Government of India on the subject.

Yours faithfully,
ALAKH DHARI,
Manager.

19, Bank Street,
77-79 Appollo Street.
Old Telephone Building.
Bombay 23rd August 1915

To
THE JOINT SECRETARY,
United Provinces Chamber of Commerce,
CAWNPORE.

DEAR SIR,

With reference to your letter of the 16th instant No. 1822 I am directed by the Committee of this Chamber to inform you that they regret they are unable to approve of the suggestion made by one of your members regarding the desirability of appoaching Government to take steps to prevent the undue depreciation of old Government securities, as they find it to be impracticable.

Yours faithfully,
J. K. MEHTA,
Secretary.

APPENDIX A J.

Income Tax Advisory Boards.

(Refer to p. 157 of the Report for 1913-14)

No. 1287-F.

GOVERNMENT OF INDIA,

FINANCE DEPARTMENT.

SEPARATE REVENUE.

ASSESSED TAXES.

INCOME TAX.

Simla the 11th August 1915.

RESOLUTION.

At a meeting of the Imperial Legislative Council held on the 24th of January 1914, the Hon'ble Mr. Rama Rayaningar moved a Resolution recommending that Local Government should be consulted as to the desirability of establishing Advisory Boards composed of non-officials in assessing income tax. After some discussion, in the course of which certain *prima facie* objections to the policy advocated by the Hon'ble Mover were stated, the Resolution was accepted on the ground that it was advisable to consult Local Governments and hrough them public opinion as to the practicability and expendiency of adopting the proposed method of assessment.

2. The Government of India have now received the views of all Local Governments and Administrations on the subject, and it is found that the proposal has been widely canvassed and unhesitatingly condemned by practically all who were consulted. The general conclusion arrived at is that the creation of formal Advisory Boards would not improve the accuracy of assessment and would tend to make the tax more unpopular.

The objections advanced by local Governments and the public bodies and individuals whom they consulted confirm generally the criticisms to which the proposal was subject in the discussion in the

mperial Legislative Council. The more important arguments are summarised below:—

I. It is widely felt that business men would have the strongest objection to the disclosure of their accounts, and consequently of important information regarding their financial credit and methods of business, to a Board composed of their neighbours and possibly including trade rivals. It is an accepted principle of Income Tax law that information of this kind, while necessary for purposes of assessment, should be regarded as absolutely confidential as between the State and the tax-payer, and the maintenance of this principle would be seriously endangered by the proposed system of assessment.

II. The principal utility of the proposed Boards would by hypothesis lie in their local and personal knowledge It would therefore be necessary to appoint a special Board in each area of assessment and the authorities consulted anticipate the utmost difficulty in obtaining men possessing the requisite standing and sense of public responsibility. This difficulty would be specially great in rural areas. It is also urged apart from other considerations the frequent prevalence of local factions would enhance the difficulty of securing a Board which would command the confidence both of Government and the assessees.

III. The proposed Advisory Boards would be exposed to conflicting influences, the sense of their duty to Government on the one hand and, on the other, pressure implied or expressed on the part of the assessees, with many of whom they would necessarily have some personal or business relations. The position would be most difficult to sustain, and it is generally believed that qualified men would be reluctant to undertake the task.

IV. It is represented that private individuals are often found by experience to be unwilling to take the responsibility of tending advice in a formal and public way, and that influential and representative citizens who may at present be relied upon to give the Collector of Income Tax the benefit of their personal knowledge would thus be of diminished utility identified with membership of an official committee.

V. The introduction of Advisory Boards would tend to weaken the sense of responsibility of the official Income Tax Collector. The duties which he performs are necessarily of an inquisitorial and somewhat distasteful nature, and it would not be an altogether unnatural result if he should display a tendency to throw as much responsibility as possible on the shoulders of the Advisory Boards.

4. These opinions appear to the Government of India to be conclusive and they do not therefore propose to take any further steps in the direction of requiring local Governments to constitute formal Advisory Boards for the assessment of the tax.

5. The Government of India, however, do not desire to interfere with the existing practice by which non-official agency is widely employed in an informal manner in connection with income-tax assessments. It appears from the recent correspondence with local Governments that in every province the assessing officer is required to seek information from persons likely to be acquainted with the circumstances of those already on the assessment roll, or who might be brought on it. In towns municipal commissioners and leading representatives of the different communities and of commercial and industrial interests are consulted; and in rural areas headmen, zaildars, and village panchayats where these exist. In one or two provinces small committees consisting of influential citizens, representative traders and manufacturers, are *informally* associated with Government officials in the work of assessment. The information

thus collected is recorded confidentially by the Government assessing officer, and a further feature of the arrangements generally obtaining is that in each case efforts are made to obtain information from a number of independent sources with the object of correcting or eliminating as far as possible biassed or inaccurate statements. Or, again, where questions of accounts are concerned, the assessee may be permitted, if he so desires, to have his books examined by a non-official commission and care is taken to select for such commissions gentlemen well qualified by their knowledge of business, their familiarity with systems of accounts and by a reputation for trustworthiness.

These expedients are legitimate and suitable and it is understood that they have proved of material assistance in the work of assessing the tax. The matter, however, is one with which Provincial Governments are competent to deal, and it is unnecessary for the Government of India to do more than indicate their general approval of the methods employed, leaving it to local Governments to maintain and develope the existing procedure on practical lines suited to the varying circumstances of the communities with whom the assessing officer has to deal.

ORDERED that the Resolution be communicated to all Local Governments and Administrations (except Baluchistan) and to all Chambers of Commerce, for information.

Ordered also that it be published in the Gazette of India.

for Secretary to the Government of India.

APPENDIX AK.

The Indian Industrial Conference.

No. 1916 of 1914.

From

THE HON'BLE RAO BAHADUR R. N. MUDHOLKAR, C.I.E.,
General Secretary.

To

THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

Amraoti, dated the 10th December 1914.

SIR,

The tenth Indian Industrial Conference will be held this year at Madras on the 26th and 27th of December 1914. The Hon'ble Mr. Manmohandas Ramji, Bombay, has been nominated President of the Conference, and the nomination has been accepted by the representatives of the various Provincial Committees. I write to request you to convene a meeting of your association at an early date for electing delegates, to the conference. Please intimate to me, as well as to the Secretary, Reception Committee of the Indian Industrial Conference at Madras, the names of the delegates and particulars of their election as soon after the election as possible.

It is hardly necessary to add that the Conference is a non-political body and every person interested in the movement for the development of Indian Industries, without reference to race or nationality, official position or political opinions, may join it and take part in its proceedings.

I hope and trust that all the delegates elected by your association will try their best to attend the Conference Session for taking part in its deliberations and giving it the benefit of their advice and experience.

Hoping you will give your prompt attention to this letter,

I am,
Yours faithfully,
R. N. MUDHOLKAR,
General Secretary.

The Tenth Session of the Indian Industrial Conference, Madras.

No. 5.

DEAR SIR,

The Tenth Session of the Indian Industrial Conference will be held, in all probability, on the 26th and 27th December next, in Madras. Following the usual practice, we request you to elect your delegates to attend this year's Session. The list of delegates so elected will have to be sent to us before the *20th December* next. We may add that the Reception Committee has fixed the delegation fee for each delegate at Re. 1. Delegates can easily make their own arrangements for accommodation and boarding by communicating their wishes in advance to the Secretaries of the Congress, Mahajana Sabha Hall, Madras. This year's Conference promises to be of extraordinary interest, in view of the crisis brought on by the war. We request you to choose as many delegates as you can, to help us in the deliberations. We have only five weeks before us and the election of the delegates will have to be proceeded with at once, and the names of those elected intimated to us promptly.

Yours truly,
VIDYA SAGAR PANDYA,
C. GOPAL MENON.
C. DURAISWAMI AIYENGAR,
Honorary Secretaries.

Mount Road,
16th November, 1914.

77-79 Apollo Street,
Bombay, 15th December, 1914.

To
THE HONORARY SECRETARY,
The Indian Industrial Conference,
BOMBAY.

DEAR SIR,

The following two gentlemen are elected as delegates of this Chamber to the Indian Industrial Conference to be held at Madras:—

1. The Hon'ble Mr. Manmohandas Ramji.
2. Mr. J. K. Mehta, M.A.

Yours faithfully,
J. K. MEHTA,
Secretary.

Bombay, 9th December 1914.

To

THE HONORARY SECRETARY,
The Indian Industrial Conference,
MADRAS.

DEAR SIR,

I beg to inform you that the following gentlemen are nominated as delegates of this Chamber to the forthcoming session of the Indian Industrial Conference to be held at Madras:—

1. The Hon'ble Mr. Manmohandas Ramji.
2. Mr. J. K. Mehta, M.A.

Further names will be sent to you as soon as possible.

Yours faithfully,
J. K. MEHTA,
Secretary.

APPENDIX AL.

Question about origin of Matches

Copy of a letter, dated Lahore, the 14th of December 1914.

From Robert Bloowlle Esq., Public Works Department, Lahore.
To The Chairman, Indian Chamber of Commerce.

SIR,

I am forwarding you a sample packet of matches purchased by me in Gujar Singh's Killa. You will observe that the country of manufacture is not shown on the lable. This is, I believe, in direct contravention of Trade Law.

With a view to stopping illicit trading of Hostile countries I send this for investigation. The match is to all appearances foreign manufacture.

(Sd.) ROBERT BLOOWLLE.

Dated the 21st January 1915.

No. 36 of 1915.

Copy of the above, with a sample of match-box, forwarded to the Secretary, Indian Merchants' Chamber and Bureau, Bombay, with the request that an expression of your committee's opinion and an enquiry as to co-operation with this Chamber in a proper action in the matter shall highly oblige.

Yours faithfully,
GOPALDASS,
Secretary.

77-79, Apollo Street,
Bombay, 15th February 1915.

From
THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To
THE SECRETARY,
Desi Beopar Mandal,
LAHORE.

DEAR SIR,

With reference to your letter of the 21st January 1915, I am asked to inform you that the Committee of this Chamber think that the matches in question appear to be Indian made. However you can inquire from your correspondent about the country of origin. If they are made in India, no further inquiries are necessary.

Yours faithfully,
J. K. MEHTA,
Secretary.

APPENDIX A M.

Aniline Colours and Dyes.

No. 10179 of 1914.

REVENUE DEPARTMENT.

Bombay Castle, 24 October 1914.

From

C. W. A. Turner, ESQUIRE, I.C.S.,
Under Secretary to the Government of Bombay.

To,

THE SECRETARY,
Indian Merchants' Chamber and Bureau.

SIR,

I am directed to state that the Government of India are considering the question regarding the supply of articles hitherto imported from Germany which are required for textile mills.

2. I am to explain that the situation has now become more difficult owing to the fact that the British Government have prohibited* the export from the United Kingdom of dyes and dye-stuffs obtained from coal-tar. The Government of India are, however, in correspondence with the India Office on the subject, and it is hoped that it will be possible to obtain permission for the export of definite consignments which may be required by Indian mills.

**Vide* Government Notification No. 9797, dated 13th October 1914, published at pages 2455-2456 of the *Bombay Government Gazette*, Part I, dated 15th idem.

3. I am to observe that with reference to future supplies, the imposition of the embargo referred to above indicates that a shortage of aniline dyes, etc., has already arisen in the United Kingdom and that the Government of India have received information from other sources to that effect. It is, however, understood that the question of the shortage of dye-stuffs, chemicals, etc., due to the cessation of supplies from Germany has already received the attention of His Majesty's Government who have appointed a strong Committee to investigate the possibilities of making good the deficiencies in the

supply. His Majesty's Government, no doubt, have in view, in the first instance, the requirements of industries in the United Kingdom. The Government of India, however, desire that any shortage which is likely to arise in India may be brought to their notice at as early a date as possible in case it may be possible for arrangements to be made to meet the demand in this country as well as in the United Kingdom. I am, accordingly, to request that this Government may be furnished, with the least possible delay, with an estimate of the probable requirements of the members of your Chamber during the next six months in order that representations may be addressed to the Secretary of State on the subject.

I have the honour to be,
Sir,
Your most obedient servant,
C. W. A. TURNER,
Under Secretary to Government.

77-79 Apollo Street,
Bombay, 3rd November 1914.

From
THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To
C. W. A. TURNER, Esq., I. C. S.,
Under Secretary to the Government of Bombay,
Revenue Department, Bombay.

Sir,

With reference to your letter of the 24th October 1914, No. 10179 of 1914 I am directed to state that individual mill-owners and the Mill-owners' Association have received a similar request to state their requirements for dyes and dyestuffs etc. and that my Committee think it unnecessary for them to furnish your Government with information required.

2. At the same time my Committee feel grateful to your Government for having so considerately consulted the interests of Indian consumers of these aniline dyes; and recommended to the Secretary of State the expediency and advisability of seeing that the embargo by the Home Government is not laid on India which for all intents and purposes is the most integral part of the entire British empire. My Committee trust that your Government will insist on the principle that India under no circumstances should be subjected to any trade disabilities of the kind temporarily created by the Home Government for Governments other than those which are neutral. It would indeed be held a great grievance by the Indian Mercantile community were such an exclusive policy laid for India.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA,

Secretary.

APPENDIX A N.

Extension of the term of office of His Excellency the Viceroy.

To

The Private Sectretary to His Excellency the Viceroy,

SIMLA.

The Indian Merchants' Chamber express hearty gratification at the extension of the term of the office of His Excellency the Viceroy by our Gracious Sovereign.

FAZULBHOY CURRIMBHOY,

Chairman.

To

THE HON'BLE SIR FAZULBHOY CURRIMBHOY,

Chairman, Indian Merchants' Chamber,

BOMBAY.

The Viceroy desires me to send you his warm thanks for your kind message regarding the extension of his term of office. P. S. V.

APPENDIX AO.

Death of the Hon'ble Captain Hardinge.

To

The Private Secretary to His Excellency the Viceroy.

DELHI.

On behalf of the Indian Merchants' Chamber I beg most respectfully to offer His Excellency the Viceroy our hearfelt sympathy and condolence in his fresh bereavement. We devoutly hope that by Divine mercy his Lordship will find strength to endure the affliction with that patience which has been so characteristic of him.
FAZULBHOY CURIMBHOY, Chairman Indian Merchants' Chamber.

To

FAZULBHOY CURRIMBHOY, Esq.
Chairman, Indian Merchants' Chamber,

BOMBAY.

His Excellency is grateful to you and the Indian Merchants Chamber for your kind sympathy with him in his sorrow.

APPENDIX AP.

Death of the Hon'ble Mr. Gokhale.

Press Note.

The following telegram has been sent by the Chairman, the Indian Merchants' Chamber and Bureau, regarding the sad death of the Hon'ble Mr. Gokhale.

"The Indian Merchants' Chamber have received the sad news of the untimely death of the Hon'ble Mr. Gokhale with profound sorrow along with all the rest of India. In him the country has lost one of its most active, enthusiastic, and patriotic leaders whose need, at this eventful juncture in her annals, was the greatest. By his public activities, his righteous advocacy of Indian interests and Indian aspirations and by his prolonged but most constitutional agitation in the Council Chamber of the Empire for the greater moral

and material progress of his countrymen he had endeared himself to the vast millions of the people. The Chamber beg to convey the sincere condolence and sympathy of its members to his family through your goodself.

J. K. MEHTA,
Secretary.

APPENDIX A Q.

White Ants in Port Trust Godowns

19, BANK STREET,
Old Telephone Buildings,
Bombay, 11th August 1915

From

THE SECRETARY,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

THE SECRETARY,
The Bombay Port Trust,
BOMBAY.

SIR,

The Committee of this Chamber has received a communication from one of its members complaining that packages in the Port Trust godowns get spoiled by insects and that several times the contents are almost destroyed.

It is also alleged that merchants are not informed by the Port Trust authorities till almost the whole of the contents of the packages is destroyed, and that this leads to a damage of thousands of rupees every year.

You will be pleased therefore to let me know whether these complaints are founded on a just cause and if so the steps which have been taken by the Port Trust authorities to remedy the same.

I beg to remain,
Sir,
Your most obedient servant.
(Sd.) J. K. MEHTA,
Secretary.

BOMBAY PORT TRUST.

SECRETARY'S OFFICE,
BALLARD ROAD, FORT,
Bombay, 25th August 1915.

No. B.—1886.

To
THE SECRETARY,
The Indian Merchants' Chamber and Bureau.

SIR,

With reference to your letter, dated 11th August 1915, I have the honour to say that very stringent rules are laid down as to the frequent turning of packages of Piece Goods stored in the Warehouses, to the regular tarring of "rickers" and to the frequent cleaning and disinfection of the floors, in order to guard against white ant damage as far as possible.

As regards para. 2 of your letter, I have the honour to point out that the Docks Department has printed forms of advice which are issued immediately packages are discovered to have been attacked by white ants either in the Docks or Warehouses. The staff exercise constant vigilance, and on any signs of white ants being discovered, every precaution is immediately taken and all packages close to those attacked are carefully inspected and removed.

I have the honour to be,
Sir,
Your most obedient sevant,
H. E. HART,
Secretary.

APPENDIX AR.

Interview with the Hon'ble Sir W. H. Clark.

77-79 Appolo Street,
Bombay 7th January 1915.

A meeting of the Committee of the Indian Merchants' Chamber was held on Wednesday the 6th January at 2-15 p.m. (B.T.) when the following gentlemen were present :—

1. Hon'ble Sir Fazulbhoy Currimbhoy Ibrahim (Chairman).
2. Mr. Dinshaw Edulji Wachha (Vice-Chairman).
3. Sir Shapurji B. Broacha.
4. Mr. Purshottamdas Thakoredas.
5. Mr. Sorabji Edulji Warden.
6. Mr. Phiroz J. Billimoria.
7. Mr. Devidas Madhowji Thakersey.
8. Mr. Morarji Velji.
9. Mr. Jethabhai Walji.
10. Mr. Motilal Vallabhji.
11. Mr. Mathuradas Vassanji Khimji.

The Hon'ble Mr. W. H. Clark, C.S.I., Member for Commerce & Industry, Government of India, was also present. The following topics were discussed :—

1. *Export of Wheat*:—The attention of the Hon'ble Mr. Clark was drawn to the recent notification of the Government restricting the export of wheat and he was requested to give the reasons for this notification. The Hon'ble Clark replied that the serious increase in the price of wheat, specially in the Punjab, was responsible for the restriction as the Government wished to protect the consuming classes from the inflated prices. He pointed out that the restriction was for a reasonable quantity.

It was observed by Sir Shapurji B. Broacha that other grains could be substituted for wheat if this were dear, and the restriction would mean taking away the advantage of high prices from the ryots. The Hon'ble Mr. Clark replied that he understood that in the Punjab it was difficult to get the people to take other grains in

place of wheat. The Chairman urged that Chambers of Commerce should be consulted if it was contemplated later that restriction should be continued after the 31st March. The Hon. Mr. Clark took note of this.

2. *Prohibition of exports from the United Kingdom.*—It was pointed out to the Hon'ble Mr. Clark that much difficulty was experienced by the mill-owners through the prohibition of exports of materials like Bichromate of Potash etc. from the United Kingdom. Mr. Clark explained that hitherto Government had been able to get permission on behalf of manufacturers in India, for the export from the United Kingdom of such of these articles as they required, and he hoped that these facilities will continue.

3. *Industrial Alcohol.*—The Chairman suggested that the duty on Industrial Alcohol should be refunded if it was to be used for manufacturing purposes, just as in the case of Salt.

4. *Protection of Industries.*—Great stress was laid by the Chairman on the necessity of giving subsidies and protection to infant industries, if these have to stand on their own legs against foreign competition after the war. Such a policy would not be considered to be in conflict with principles of free trade.

5. *Department of Commercial Intelligence.*—The Chairman observed that in view of the growing requirements of the country it was essential that the Department of Commercial Intelligence should have a branch in every Presidency, specially in Bombay.

6. *Indian Sections at British Consulates.*—The attention of the Hon'ble Mr. Clark was drawn to the suggestion of this Chamber, made several times and also to the resolution recently passed by the Indian Industrial Conference that there should be Indian Sections at Principal British Consulates, as these would greatly help in bringing India into closer touch with foreign markets.

The Hon'ble Mr. Clark gave a sympathetic hearing to this and other questions.

The meeting terminated after the Chairman had thanked the Hon'ble Mr. Clark for the trouble he had taken in attending the meeting.

J. K. MEHTA.
Secretary.

APPENDIX AS.

Interview with Mr. Ley.

An informal meeting of the Committee of the Indian Merchants' Chamber was held on Saturday, the 10th October, at 2-20 P.M. (B.T.), when the following members were present:—

1. Hon'ble Sir Fazulbhoy Currimbhoy Ibrahim (Chairman).
2. Dinshah Edulji Watcha Esq.
3. Hon'ble Mr. Manmohandas Ramji.
4. Purshottamdas Thakoredas Esq.
5. Chaturbhuj Shivaji Esq.
6. Devidas Madhowji Thakersey Esq
7. Morarji Velji Esq.
8. Gopalji Valji Sunderji Esq.
9. Motilal Vallabhji Esq.
10. Naranji Haribhai Esq.
11. Phiroz J. Billimoria Esq.
12. Jethabhai Walji Esq.
13. Motilal Kanji Esq.
14. Revashankar Jagjiwan Esq.

Mr. A. H. Ley, I.C.S., Officiating Director-General of Commercial Intelligence, attended the meeting to discuss some commercial and industrial questions arising out of the present war-crisis.

The Chairman and several members brought to the notice of Mr. Ley the following industries, among others, which could well be started in this country, consequent on the cessation of trade with Germany:—(1) Aniline and Alizarine Dyes, (2) Glass, (3) Matches (4) Chemical Industries like Sulphuric Acid and Alcohol manufacture, (5) Oil, (6) Wheat-flour, (7) Sugar, (8) Paper, (9) Starch etc.

It was suggested that the Government should actively encourage the movement of new industries by help in the nature of protection in such a manner as would not clash with free trade policy, which, it was pointed out, that in case of some industries like the Ahmed-

abad match manufacturing industry, for instance, Railway freights were unfavourable to them as compared with foreign imported matches.

The Chairman pressed for the appointment by Government of experts to conduct scientific investigations into the possibilities of different industries, as such necessary spade work could not be done by the public themselves and that it would not pay small industries to engage experts. If expert opinions were favourable to some industries these would very soon be able to capture Indian capital. The Chairman also observed that the Government should explain clearly their attitude with regard to new industries which would suffer heavily if they were left to face as before the competition of German and Austrian industries. He said that unless some tangible proposal of help or guarantee against loss were coming forward people would shrink from investing their capital in new industries. The Chairman pointed out what had been observed by the Committee in their interview with the late Mr. Noel-Paton about having at all the important British Consulates Indian Sections which would facilitate replies to inquiries of Indian Merchants and offer various new openings to Indian trade and commerce; also about having a Bureau of Industries at Bombay with a Commercial and Industrial Museum.

Mr. Ley after an informal discussion of the various questions raised promised to place the suggestions of the Committee before the Government for their consideration. Mr. Ley asked the Committee their opinion about the publication by the Commercial Intelligence Department of brief monographs or leaflets, more or less of a statistical nature, on different articles, the import trade in which has hitherto been largely in enemy hands, with a view to attract the attention of manufacturers to these lines. The Committee welcomed these proposals and suggested that these might also well be published in Vernaculars. They pointed to the Journal of the Chamber published in vernaculas which gave the substance of all Government Press Notes, as also much statistical and commercial information

and said that the publication of monographs as suggested by Mr. Ley would materially tend to enlighten Indian opinion on the several industries which were essential for this country. All the commercial blue books, it was observed, were published at present in English, which was a language with which the majority of our merchants and traders were not familiar and hence they did not give as much help to trade as was naturally expected of them.

After the Chairman had thanked Mr. Ley for his visit the meeting dispersed.

J. K. MEHTA.
Secretary.

APPENDIX AT.

Interview with the Hon'ble Sir William Meyer and the Hon'ble Sir William Clark.

A meeting of the Committee of the Indian Merchants' Chamber was held on Saturday the 10th April to meet the Hon. Sir William Meyer, Member for Finance, Government of India, and the Hon. Mr. W. H. Clark, Member for Commerce and Industry, Government of India. Mr. Low, Secretary to Commerce and Industry Department, was also present.

CHAIRMAN'S SPEECH.

The Hon. Sir Fazulbhoy Currimbhoy, Chairman of the Chamber, spoke as follows:—

Sir William Meyer and Mr. Clark,—Since we last met in this Chamber, there have been several pronouncements on economic questions, in which Indian interests are involved, and also on the finances of the country, as expounded in the last Budget. In reference to these matters, I now beg to bring to your notice some points on which, my Committee think, there should be a healthy interchange of views with yourselves.

At a very early stage after the outbreak of the war there was the question of the position of cotton-growers, cotton traders, and the cotton industry generally. Various views were expressed by the different bodies interested and it is gratifying to note the manner in which the Imperial Government proceeded to deal with the problem. The deputation of Mr. Howard to Bombay to consult the varied interests and place their views before the Government, was indeed a sagacious proceeding. As to the financial distrust which then prevailed and which the war had aggravated, it is also satisfactory to observe that the resolution which the Finance Department issued at the commencement of the year exercised a material influence in allaying uneasiness and restoring confidence.

THE WHEAT PROBLEM.

More recently the wheat problem has been before Government. The rapid rise in prices and the demand from Europe created a situation of great difficulty, tinged with a certain measure of unrest amongst the wheat-eating population of Northern India who were feeling the strain. The Committee cannot refrain from expressing their admiration of the statesmanlike procedure by which the difficulty was met. No doubt the Wheat Conference at Delhi was a preliminary step to the final resolution which the Government issued, and which has since been generally approved by all classes in the country. It has, on the one hand, allayed the anxiety of wheat consumer and, on the other, admirably solved the economics of the question, by the Government laying an embargo on all exports of wheat for twelve months, and deciding to buy the surplus wheat themselves and exporting it in certain ways, the details of which have yet to be published, preventing price inflation in India, whilst making our superfluity available for the United Kingdom. There may yet be some differences of opinion as to the method of financing and exporting the Government's purchases, but the Committee believe that the problem on the whole has been solved by the Supreme Government in a most statesmanlike manner which leaves nothing to be desired. With regard to financing these purchases,

my Committee would be very pleased to hear the details now, so as to be able to express their own views on the scheme contemplated.

UNIVERSAL SATISFACTION OVER BUDGET.

The Budget has given universal satisfaction and the country is grateful to you, Sir William Meyer, for succeeding, thanks to the inherent financial strength of the country, in meeting the deficit without having recourse to enhanced taxation whilst all classes of the people have, in their respective positions, undergone a variety of sacrifices. Your policy has the approval of the Committee, who cordially congratulate you on it. The one outstanding feature on which they would like to exchange views has reference to your proposal to borrow Rs. 4½ crores in India. In some quarters there is a feeling of doubt whether a rupee loan of this amount would be fully taken up. The Committee generally have no misgivings on the subject: but in anticipation of the time for the issue of the loan, they would venture to offer, not without diffidence, one or two alternative proposals. It is possible that an appeal to the British Treasury would produce the necessary amount having regard to the fact that the Chancellor of Exchequer has already announced in Parliament that the Colonies and some other countries could be easily assisted from the general loans that he may raise: in fact, as you are aware, some Colonies have been so aided. Another alternative, which would be both economical and proper and would allow of the loan being subscribed in this country, is to issue Treasury bill of 6 or 12 months' duration at a rate, a little higher than the given for Government paper, say 4 p.c.

Apart from this question, the Committee would suggest the practical expediency of affording further facilities to the poorest class of investors by extending the privileges already so beneficially accorded to the Savings Bank depositors, and which have been gratefully appreciated by the public. In the districts in which there are no Treasuries, there still exists great difficulty in drawing interest on Government paper. If in such places the agency of the Post Office was used, as it has already been in other matters, the convenience

will be greatly appreciated and may be the means of making Government Paper even more popular than it is. In this connection my Committee would also like to draw your attention to their reply to the Government circular letter regarding forms of Government securities, in which they recommended the use of interest coupons.

The Railway Budget may be deemed satisfactory under the circumstances in which the Government is situated; and though a smaller sum by 20 lakhs, as compared with the last year, has been budgeted for irrigation, it would seem to the Committee that with a little stimulus the Public Works Department could be made to spend that sum. The Committee respectfully beg to point out, as they did last year, that irrigation works are as valuable—if not more—to the people as railways.

INDIAN WHEAT MERCHANTS' INTEREST.

The Committee's appeal to the Hon. Member in charge of Commerce and Industry has reference in the first place to the wheat question. They beg to point out that while they appreciate the admirable spirit in which it has been approached the Internal Wheat trade as a whole is considerably in the hands of Indians. All that is exported by European shippers is not wholly bought by them in the districts but a fair percentage of it at least is purchased by exporters from Indian dealers at the ports of shipment. Besides this, in Bombay specially, we have a fair number of Indian merchants who are well-versed with shipping of wheat, but who during the last few years may not have shipped to a large extent, direct owing to several reasons. My Committee would like to bring to your notice this class of Indian exporters and also the other large class of Indian traders, both of whom are influential and experienced in purchases in districts and they hope that Government will think it both expedient and advisable not to ignore them.

The Committee, in common with all other commercial interests, are extremely grateful to you for having been instrumental in recommending to the Government the appointment of a Committee

on Railway questions which have been the subject of discussion in the Council, especially during the recent meeting, arising out of the resolution of the Hon. Sir Ibrahim Rahimtoola. It is to be hoped hat Indian Commercial interests will be well represented on that Committee and that competent Indian witnesses will be invited to offer their view.

INDIGENOUS INDUSTRIES.

The Committee, as you are aware, are very alive to the importance of new indigenous industries, but it is superfluous to state that unless the Government cordially co-operate and help in starting those industries, in some such manner as shown below, there can be little hope of success.

In the absence of fiscal autonomy, it is more important that the Committee should press this conviction on the attention of the Government. Already the Government of the United Provinces has been moving in the matter and so too the Governments of Bombay and Madras. The Committee are fully alive also to all that the Government of India have done or are doing by way of disseminating by means of leaflets, bulletins, etc., information touching a variety of small industries. But they respectfully beg to point out that the energy and responsibilities of the Government cannot end there. The State must tangibly come to the aid of such industries as may be proved to be practicable and possible. Above all no industry requires such tangible aid and greater co-operation from the Government than that of sugar. The Committee are convinced that with such aid, the sugar industry in India may, in a few short years, become successful, if combined with the efforts which capital and private enterprise may put forth. We embrace this opportunity to recall the very wise words of His Excellency the Viceroy in the Imperial Council when he said that the present time was not a suitable moment for taking special action or for initiating special inquiries: but if, as he further observed, the question of the industrial development is to be taken up vigorously and effectively as soon as normal conditions have supervened, we must be prepared

with a statement of our wants and requirements. We have several times explained the necessity of calling out experts by the Government for different industries, and we also suggest the appointment of a Committee of Indian commercial members and experts to draft schemes for the different Provinces in furtherance of industrial development. These would, to a great extent, solve the problem of economic unrest of which we share so much in some Provinces.

MARKETS FOR RAW PRODUCTS.

In this connection, my Committee would also like to point out in view of the inclosure of some of theforeign markets for our raw products. that the Government should extend the principle under which they appointed Mr. Gubbay, Trade Commissioner in London, and have Indian Commercial Attaches to several leading British Consulates. My Committee have pointed out this often in recent years and take this opportunity once more to press it on your attention. We consider the present an apportune time as the questions of developng the trade and industries of India and utilising her exportable raw products are so much before Government. It also appears from the 5th Report of the Royal Commission of the Civil Services, recently issued, that important changes are in contemplation in the Consular Service of Great Britain. The Government of India can well therefore put in aplea for the suggestion offered by my Committee.

The publication in book form, of the "Legislation and Orders relating to the War" was welcomed by the commercial community, giving. as it did, in a compact form all the orders on similar lines, giving all the notifications regarding telegrams should be published, to give a connected resume of the regulations in force; and also, if possible, that new editions of these two publications should be issued every three months, incorporating the lastest information.

THE COMMERCE MEMBER'S REPLY.

The Hon. Mr. Clark in reply said :—

It is very great pleasure to my Hon. Colleague and to myself to have this opportunity of meeting together the Indian Merchants

of Bombay. We are glad to find, Sir, that the policies adopted by the Government in regard to cotton and wheat meets with the approval of the Indian commercial community. It is certainly gratifying to note the change in the cotton situation which has taken place in the last few months. As regards wheat, the Government have taken over the serious task of controlling the whole of export trade with a due sense of their responsibility and with a desire to avoid as far possible unnecessary interference with existing trade interests. Our scheme is now nearly ready, but there are some important points still under consideration, and still the subject of communications with the Government at Home; and I connot, therefore, inform the Chamber of the details of the system on which we propose to work. Mr. Gubbay, who, as you know, is to be the Wheat Commissioner, only arrived yesterday from England, and there are several points still to discuss. Your Chairman has referred especially to the question of how the scheme is to be financed. We have had a cable from the Secretary of State saying that he still has the question of finance under consideration in consultation with the Exchange Banks in London. In the meantime my Hon. Colleague, whom the question chiefly concerns, and myself will be very glad, in the discussison which will shortly take place, to obtain your views on the matter. Your Chairman has also mentioned the interests of Indian exports of wheat and of Indian dealers in wheat within India. As I have already said, we wish to interfere as little as possible with existing interests. Our policy is to employ, as our agents in shipping to Europe, only those firms who already have an appreciable state in the export trade, and I need hardly say, that if it can be shown that there are Indian firms who have such a stake, which have hitherto been overlooked, we will be very glad to endeavour to make arrangements for their inclusion. As regards what I may call the local export trade, that is trade up the Persian Gulf and to Arabia and so on. we shall be able to make special arrangements for its continuance outside of the scheme by the issue of special licenses. Lastly, as regards internal trade, I do

not see why this should be affected by the scheme. The internal trader will be in exactly the same position as he has been in, heretofore, namely, that of selling to the exporting firms.

RAILWAY MANAGEMENT.

The next commercial question to which your Chairman has referred is that of the enquiry into the relative efficiency of State and Company Management of State Railways, to which I alluded in the recent debate in the Legislative Council on the motion introduced by Sir Ibrahim Rahimtoola. The Committee appear to be under a slight misapprehension on this point. The enquiry to which I have referred is being undertaken by the Railway Board on the instructions of the Government. The Railway Board, as constituted now, does not consist solely of railway experts, but also contains a finance member, so that it is fully equipped for the investigation of this question. We do not propose to appoint a Committee for the purpose. The point primarily under examination is that of the relative economy of the two methods of working. Later on, probably we shall take up the further question of their comparative utility and helpfulness to trade. I undertook in Council that the commercial community should be consulted on any aspects of the case which affect them, and I need hardly say that in that consultation we shall of course include your Chamber as well as other bodies representative of commercial opinion.

INDIGENOUS INDUSTRIES.

One more very important economic question has been raised by your Chairman, namely, that of the promotion and development of indigenous industries in India. I cannot at this juncture do more than re-echo the words used on this matter by His Excellency the Viceroy in his speech in Council. This is a subject the importance of which is fully recognised by the Government of India and to which they have devoted much thought. The Committee no doubt fully appreciate the difficulties, and I note that they suggest, as a means of dealing with them, the appointment of a Committee to examine the

question. As His Excellency pointed out in Council, it is doubtful whether a moment like the present, when finance and commerce are disturbed by a great war, is altogether suitable for enquiries of this kind. Special efforts may be made and are being made in connection with the particular opportunities afforded by the war, but it is doubtful whether in these circumstances fruitful steps could be taken for dealing with the larger issue of the development of industries in time of peace. I can, however, assure the Committee, as his Excellency has already stated in Council, that this is a question which is constantly under examination and which Government hope to see taken up vigorously and effectively as soon as circumstances permit. In this connection Government entirely appreciate the importance of the further point which you urged, namely whether the interests of Indian commerce might be more effectively represented in foreign countries. We have, as your Chairman has reminded you, appointed a Trade Commissioner in London, and although we have had to get Mr. Gubbay back to India in connection with the wheat scheme, we trust that the work which he has initiated in London will continue to be carried on. I fully recognise the importance of the further question which has often received consideration in the past, whether any similar arrangements could be made in regard to other countries, and I can assure the Committee that Government will not lose sight of it.

Lastly, the Committee suggest that a pamphlet might be issued containing all the notifications which have been promulgated from time to time in regard to telegrams. I will be glad to consult the Director-General of Posts and Telegraphs on this matter as soon as I return to headquarters.

THE FINANCE MEMBER'S REPLY.

The Hon. Sir William Meyer in reply said :—

Mr. Chairman and Gentlemen,—I am very glad to meet you again once more, and this time not alone but in the company of my honourable friend and colleague Mr. Clark. He has dealt with

those portions of your speech which primarily relate to his department. I must begin by thanking you for your appreciative references to my recent Budget, and to the action taken a few months ago with regard to cotton.

As regards the raising of 4½ crores in India in the coming year, as I said in my Budget Speech and in the final debate in the Viceroy's Council, and as I repeated yesterday to the European Chamber of Commerce, it is quite impossible at present to forecast what decision may be necessary with reference to the circumstances prevalent in July. I am glad, however, to note your expression of confidence as the taking up of such loan as the Government may put on the market.

As regards your alternative suggestions, India is not exactly in the Dominions that you mention, for they are bearing the whole charges of the contingents that they have placed at the disposal of His Majesty's Government, while we are bearing the ordinary charges only. Moreover, what the Home Treasury is lending to them is for war purposes, while our requirements are largely in connection with productive Public Works. It follows, therefore, that the circumstances are not the same, and further the loans which will be made to the Colonies will not be of long duration. You will therefore see that it is by no means disadvantageous to India to finance herself.

TREASURY BILLS.

As regards Treasury Bills, these are short term obligations, and as I indicated to the European Chamber when they put a like suggestion before me, we are already burdened with £14 million worth of such obligations, *viz* £7 million of India Bills raised last year and to be renewed this year and £7 million borrowings from the Gold Standard Revenue, which of course have to be paid off as soon as we can conveniently do so. It is obviously desirable, therefore, if we can, to raise money on a more permanent basis. I have however been much interested to hear both from the European Chamber and from yourselves that you regard raising of money by Treasury Bills as a possibility.

I have also listened with much interest to your suggestions as to giving further facilities to small investors in connection with Government loans. The matter is one which greatly appeals to me, and I will communicate with the Controller of Currency on the subject. You will of course realise that in the period of stress to which we have been exposed for the fast few months, there has not been so much time to consider suggestions of this sort as would have been the case in ordinary years.

I share your hope that the capital grant for Irrigation this year will prove capable of full utilisation but I am sure you will agree with me that in cases in which the alternative lies between a moderate lapse and hasty, and therefore probably wasteful, expenditure at the very end of the year, the former is the lesser evil of the two.

The Hon. Sir William Meyer and the Hon. Mr. W. H. Clark had then some discussion with the members present, especially regarding the Wheat question. The meeting dispersed with a vote of thanks to the visitors for giving an opportunity for the Committee to discuss important Commercial questions with them.

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